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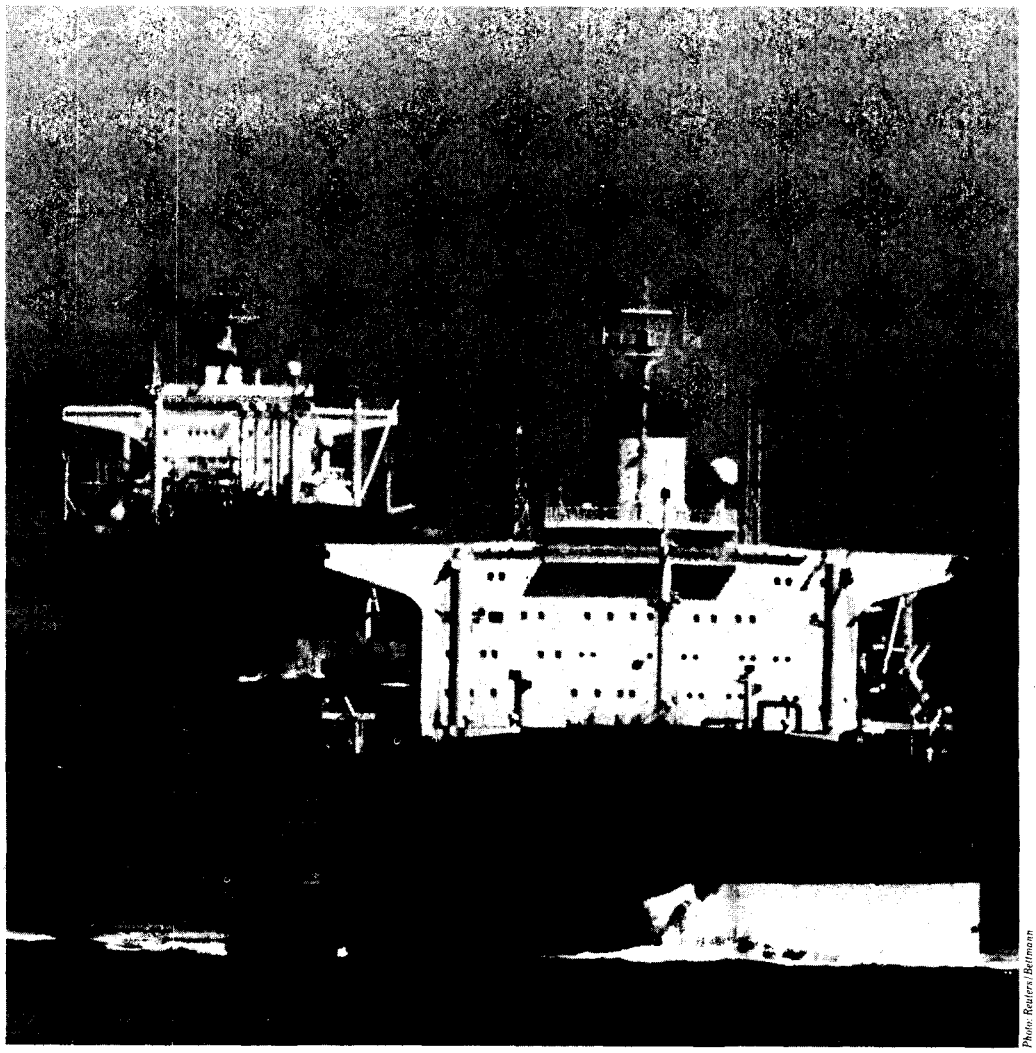

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Foreign Affairs is published five times annually
by the Council on Foreign Relations, Inc.
Vol. 70, No. 3 © 1991

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Foreign Affairs is published five times annually by the Council on Foreign Relations, Inc. Editorial Offices: 58 East 68th Street, New York, NY 10021.

Manuscript submissions: The Editors will consider all manuscripts received, but assume no responsibility regarding them. Materials will be returned only when accompanied by appropriate postage.

Subscriptions: Price for U.S. subscriptions, $32.00 per year; foreign, $39.00. Rates for air speed delivery are available upon request. To subscribe, write *Foreign Affairs,* P.O. Box 53678, Boulder, CO 80322-3678. To resolve subscription problems, call (800) 365-1554. Replacement copies are available to subscribers at no charge until the next issue is published. Thereafter, back issues are $9.00 each.

Advertising: For rates and schedules, contact the Advertising Office, (212) 734-0400. *Foreign Affairs* is represented by The Leadership Network, Robert F. Sennott, Jr., President, (212) 684-5500. *Foreign Affairs* is a member of the Audit Bureau of Circulations.

Reprints and permissions: Write *Foreign Affairs,* Reader Services, 58 East 68th Street, New York, NY 10021.

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Michel Oksenberg

THE CHINA PROBLEM

Sino-American relations are in disarray. China's current leaders complain of continued American sanctions, the Bush administration's refusal to engage in high-level official exchanges and the deterioration in the quality of consultations on matters of common strategic interest. They protest President Bush's April 1991 meeting with the Dalai Lama, the exiled Tibetan leader. They believe the United States has sought to restrain other leading industrialized nations in the Group of Seven from restoring relations with China to the levels that existed prior to the events in Tiananmen Square in June 1989. Washington is also accused of discouraging a rapid and full restoration of lending to China by international financial institutions. And behind these charges are more deep-seated fears—of another era of American global hegemonism and an American design to undermine China's communist regime.

Meanwhile, at least among key opinion molders in Congress and the U.S. media, China's leaders are scorned and disdained. Memories of the June 4, 1989, massacre in Beijing remain vivid in the American mind. China's leaders have expressed no remorse for their decision to send heavily armed military forces into the capital. No amnesty has been given to activists in that spring's demonstrations, and many dissidents languish in prisons without charges filed against them. In the two years since Tiananmen Square leaders in Beijing have pursued a hard line toward intellectuals. They have sought to impose ideological uniformity on the Chinese people. As in the Mao era the urban populace engages in weekly political study sessions; censors monitor and ban artistic works; leading universities are under intense pressure; Voice of America radio is jammed. The propaganda apparatus organizes campaigns to recall and emulate heroes of the Cultural Revolution era. But all these efforts have generated little cooperation and much disenchantment.

The Tiananmen tragedy and Beijing's subsequent record have altered the American mood. In addition, the apparent

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end of the Cold War and the change in Soviet-American relations have led many Americans to conclude that the United States no longer needs China as a counterweight to the Soviet Union; China is seen as strategically less important to the United States. Moreover many Americans believe the crisis of communist rule that has swept eastern Europe and the Soviet Union will also hit China. Influenced in part by Chinese dissidents in the United States, many American observers believe political reform will inevitably resume once 86-year-old Deng Xiaoping and the other elders die. They argue that the United States should not prop up dictatorship or bestow legitimacy upon it. Washington should be patient and not embrace faltering rulers, but await the verdict of history in confidence that a more democratic, liberal or reform-minded set of leaders is on the horizon.

Under these circumstances, it is argued, the United States should maintain its ban on high-level visits, deny China "most favored nation" (MFN) trade status and vigorously press a human rights agenda. The institutional framework painstakingly erected under the Nixon, Ford, Carter and Reagan administrations for constructive Sino-American relations—bilateral agreements for exchanges in science and technology, joint committees for settling economic and commercial disputes—would thus be allowed to atrophy.

Nor is there a powerful business lobby in Washington to defend Sino-American commercial ties. American corporations have acquired a realistic sense of the problems and risks of doing business in China. While some corporations are doing well, the intense interest of the early and mid-1980s is gone.

II

Those in Washington who seek to sustain contacts with China are now on the defensive. The Iraqi invasion of Kuwait in August 1990 provided a respite to the descending spiral in Sino-American relations. As a permanent member of the Security Council, China had to support or acquiesce in U.N. resolutions passed on the gulf crisis. Denigrators of Beijing's importance in world affairs were reminded of its pivotal role in one major international forum, and Beijing's adherence to U.N. positions evidenced strands of realism in Chinese foreign policy.

But additional stresses on the Sino-American relationship remain: mounting American trade deficits with China; intelligence reports that China transferred nuclear technology to

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Algeria—possibly without adequate safeguards against atomic weapons proliferation; Chinese refusal to participate in multinational discussions to prevent missile proliferation; revelations of Chinese classified documents discussing exports of textiles manufactured in labor camps; Chinese failures to protect intellectual property; arms sales to Burma; links with the Khmer Rouge; continued trials of the political activists who participated in the 1989 demonstrations—some of whom have received harsh sentences.

For these reasons in both 1990 and 1991 the extension of China's MFN status became a widely debated political issue. Each year since the 1980 ratification of the Sino-American trade agreement, the president has had to decide whether China, as a nonmarket economy, meets the legal requirements of the Jackson-Vanik amendment concerning its immigration practices and, more generally, its human rights record. Granting MFN to China was a major part of the normalization of Sino-American relations in the late 1970s. It was a centerpiece of the talks between President Carter and Vice Premier Deng in February 1979, and the prospects of expanded Sino-American trade probably helped moderate China's response to the Taiwan Relations Act of 1979. To both the Chinese government and people—especially those whose livelihood depends on strong economic ties to the United States—MFN is an integral part of the Sino-American relationship.

Until the Tiananmen tragedy extension of MFN was routine. Now it has turned into a perennial political battle, fueled by China's human rights abuses and its trade surpluses. Sino-American relations are thus becoming a regular, bruising debate over MFN. Although President Bush has decided to continue MFN, as he indicated on May 27, Congress has the authority to reject it or impose conditions; the president could then veto the congressional plan, but Congress, of course, can override the veto.

One can question whether American interests are served by introducing this annual discordant note to relations with China. Prudence dictates sober reflection before actually retracting MFN. Once withdrawn, it cannot be easily reinstated, and its abolition could have lasting and severe repercussions.

Several questions therefore merit examination. What is the domestic situation in China? Are the assumptions about the inevitability of China's democratization accurate? Have events since June 1989 demonstrated that the regime is likely to collapse? Where is Chinese foreign policy headed? What is the

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enlightened and humane American interest in China? Are the leaders of the United States and China now locked in a Greek tragedy, unable to act on the vision that brought the countries together in the 1970s? In light of common interests, is it possible to pursue a sustainable set of policies that are germane to the post-1989 era and that benefit the people of both nations?

III

The 1980s brought considerable change to China. The gross national product more than doubled. Peasant incomes rose swiftly following the dissolution of the commune system in the early part of the decade. New employment opportunities arose in rapidly expanding, labor-intensive light industries and in private and collective enterprises in rural areas. As a result the portion of the population fully immersed in agricultural production dropped by one percent per year. The nation resumed the transformation from a rural agricultural society to an urban industrial one, a transition begun in the 1920s and 1930s, disrupted by the Japanese and then prevented under Maoist rule. During the 1980s well over 50 million people left their rural villages and even more entered new occupations. The incomes of the new entrepreneurial class far exceeded the wages of officials and intellectuals.

China's opening to the outside world—joint ventures, tourism, foreign-manufactured consumer goods—also had a profound impact on popular culture and tastes; in particular, the rapid spread of tape recorders, television and videocassette recorders accelerated this trend. Contacts with Hong Kong and Taiwan, as well as South Korea and Japan, drew the populations of coastal China into the dynamic East Asian orbit. Propagandists in Beijing no longer enjoyed monopoly control over the media. Their ideological messages competed with those distributed legally or surreptitiously from abroad.

These developments have continued after the Beijing massacre. The economic reforms of the Deng era have also remained largely in place. China's top leaders nonetheless seem deadlocked over the future direction of economic policy. Efforts in 1989-90 to roll back several reforms were rebuffed by provincial authorities and reformers at the center. Major pieces of the reform program have been indefinitely postponed—such as strengthening the taxation and banking systems and invigorating large, inefficient state enterprises—but other measures have been implemented: devaluation of

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the *yuan* and limited price adjustments. China may also be moving cautiously toward making the *renminbi* a convertible currency. While this move would strengthen China's claim for full accession to the General Agreement on Tariffs and Trade, other measures that would ease GATT membership, such as reduction of nontariff trade barriers, are stalled.

Despite this mixed picture, no east European country has yet matched the extent of China's transition from a centrally planned economy. China is not yet a market economy and local bureaucrats still control much economic activity, but well over half its economy is now beyond the control of planners in Beijing; local bureaucratic entrepreneurship flourishes, and the foreign trade sector is surprisingly large for a continental-sized economy. The major economic problem that helped fuel the 1989 demonstrations—inflation—has been at least temporarily eased. But the leaders used the means of central planners to carry out their retrenchment: sharp cuts in construction projects, constriction of credit and reduction of imports. When and how China will undertake the next steps of economic reform remain major undecided issues. The Eighth Five Year Plan launched in 1991 did not resolve the debate.

Perhaps the most stunning statistics concern China's population growth and land use. China's rate of population increase in the 1980s—between 1.2 and 1.6 percent per year—was low compared to most other developing countries. But its population still grew by roughly 12 million to 15 million people per year. Increases of this magnitude will continue through the 1990s. China's population topped 1.1 billion in 1990, and by the year 2000 it will approach 1.3 billion. In the 14 years of his rule Deng has presided over a population increase of nearly 200 million people. This increase occurred despite the well-heralded, vigorous family planning program that has earned widespread condemnation for the excesses of some overzealous local officials. This population increase has placed considerable added burdens on the government in delivering education, health care, housing and other public services simply to stay even in meeting human needs.

This growing population feeds itself basically on the same amount of tilled acreage; little new land is available that can easily be brought under cultivation. In fact cultivated acreage decreased somewhat in the 1980s due to industrialization, expansion of peasant housing and soil erosion. The increased numbers of Chinese were fed through growth in per-acre yields, a development that will have to continue in the 1990s.

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Rapid industrialization, coupled with population increase, is placing severe pressures on China's natural environment. In north China water supply is inadequate to meet the needs of both agriculture and industry. Problems of environmental degradation are widespread, including acid rain, poor air quality in large cities, severely polluted rivers and lakes, denuding of forests in the upland regions of the southwest, soil erosion and desertification in the northwest.

All these trends—the economic reforms, the opening to the outside, population increase, the emergence of new classes—have altered the balance between the state and society and between the central government and the regions.

In China, as elsewhere in the world, the central government lacks the financial resources to cope with the increasing demands of its society. In fact it can be argued that in the 1980s China's government coped with the stresses of industrialization, population growth and social change far more successfully than the governments of most developing countries. In comparative terms China's record continues to be outstanding in areas such as reducing infant mortality, extending life span, improving public hygiene and controlling communicable diseases. But the trend in China's governmental capacity to meet human demands for services appears in some respects to be eroding. Growing corruption is diminishing regulative and implementational abilities. The central government now faces chronic and massive budget deficits. Its revenue-generating capacity lags behind mounting demands for various expenditures. And, as a result of the economic reforms, substantial portions of the economy now fall outside state control.

Thus China may retain a stronger political system than many developing countries—measured in terms of its ability to control the populace, to implement public policies and to meet human needs. But provinces, municipalities and counties have gained considerable autonomy, while the central state apparatus in many respects is weaker.

IV

China has entered a protracted period of political uncertainty. Beneath a surface calm, the country's leaders—Premier Li Peng, Party General Secretary Jiang Zemin, State Planning Commission Chief Zou Jiahua, Secretary General of the Central Military Commission Yang Baibing and newly appointed Vice Premier Zhu Rongji—are overwhelmed by the pressing problems they confront. Deng, Chen Yun and the other

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octogenarians peer over their shoulders, intervene in almost random fashion and prevent coherent and consistent efforts to address the issues of the day.

Since Deng cast aside Hu Yaobang and Zhao Ziyang as his political heirs, no credible arrangements appear to exist for an orderly succession. Precious time is lost in coping with the country's rapidly eroding natural environment and in investing requisite sums in human resources and infrastructure to sustain agricultural production. The nation awaits the passing of the elders, the inevitable ensuing power struggle, the emergence of a credible successor—if one does emerge—and the enunciation of his domestic and foreign policy orientations. This process is likely to consume several years. In the meantime, China is politically adrift.

During the succession struggle, the authority of China's central state apparatus is likely to continue to diminish. Several yawning gaps now divide the Chinese polity: between those in and out of power, between Beijing and the rest of the country, between the older generation and the youth, between urban and rural areas, and between those affected by Western ideas and those with an indigenous orientation. These lines of cleavage and potential conflict mean the elders in Beijing are isolated from substantial portions of the country.

Adding to the uncertainty are factors that produce instability in many developing countries: corruption and nepotism, unsettled civil-military relations, unattainable popular aspirations and social discontent generated by rapid economic growth. As in eastern Europe and the Soviet Union, China is in the midst of an unprecedented transition from a centrally planned economy to an as yet unspecified system. How to manage this transition and its outcome are major questions confronting China's leaders. Coping with the modernization process, handling the political succession from the "revolutionary founder" generation to a generation that matured under communism and engineering the transition away from Leninism-Maoism are enormously complex and challenging tasks. The regime would still confront great difficulties even if the immediate succession to Deng were smooth and rapid, if reformers were to recapture power and if political reform were to resume. From this perspective the purges of general secretaries Hu Yaobang in 1987 and Zhao Ziyang in May 1989, the brutal crushing of the demonstrations in June 1989 and the subsequent suppression of intellectuals are manifestations of much deeper flaws in China's political structure.

Increasing numbers of observers within and outside China

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are concluding that the communist revolution did not fundamentally resolve the basic constitutional issues that have plagued China since the eighteenth century: orderly arrangements for succession; national, institutionalized decision-making processes as opposed to highly personal and factional rule; appropriate division of responsibilities among central, provincial and local levels of government; adequate sources of revenue for the central government; a military whose cohesiveness does not depend on personal loyalties to individual commanders; a compelling national ideology that both builds on the country's intellectual traditions and sustains scientific and economic progress; local institutions that both regulate society and respond to its demands; national institutions that enable effective engagement in world affairs. As in the 1920s and 1930s many Chinese intellectuals are exploring whether and how to reconcile their cultural heritage with the demands of modernity. Raising this issue, in turn, generates xenophobic responses; divisive issues again are on the Chinese agenda.

The resurfacing of fundamental problems in China's governance underscores the uncertainty of its future. A wide range of possibilities exists: abandonment of reform and reimposition of centralized rule; continued drift toward a messy, rather ineffective, corrupt and fragmented authoritarian system typical of many developing countries; fashioning of a more liberal and open but "soft" authoritarian system that Zhao apparently envisioned; transition to a pluralistic, democratic system; widespread turmoil and systemic disintegration.

Rather than predicting the likely outcome, assigning odds or even identifying the factors likely to determine a particular future, it is enough to stress that China's march toward democracy is by no means certain. Americans may wish for the Chinese government to become more liberal or democratic. Realism, however, requires recognition that China may well continue to possess something it has had throughout its 4,000 years of recorded history—namely, a system based on principles largely antithetical to our own. Perhaps the Chinese government will resume the political progress that Americans found so heartening in the 1980s. On the other hand, the domestic situation could just as easily deteriorate.

v

Chinese foreign policy in the 1990s appears in many respects to have been very successful. Beijing skillfully used the gulf crisis to restore some of its image as a responsible member

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of the community of nations. But by criticizing both Iraq and the war to expel Iraq from Kuwait, China preserved its Third World identity as well. Moreover, since Tiananmen, Beijing has established diplomatic relations with Saudi Arabia and Singapore, restored relations with Indonesia, reduced tensions with Vietnam and cultivated expanding commercial ties with Taiwan and South Korea. Japan, Australia and the west European democracies have largely restored their relations to pre-June 1989 levels. The Sino-Soviet rapprochement even extended to a restoration of military and Communist Party ties. The American posture toward China is the anomaly.

Despite this record, China's leaders have lost much of their self-assurance. The overthrow of the east European communist regimes profoundly frightened the Chinese leaders. Moreover, the crisis in the Soviet Union and the end of bipolarity have left China's leaders without a definition of their place in the world.

Since their rise to power in the l940s, Mao, Deng and their advisers pursued security within the structure of the existing international order: they adopted a balance-of-power strategy. Their self-esteem was assuaged in the 1970s and 1980s through the notion of a global "strategic triangle." Historians may conclude that notion was inaccurate, but it certainly appealed to the Chinese sense of grandeur and specified the nation's place in world affairs.

But as the international order changes—and especially since the Gulf War—China's leaders, like the leaders of other countries, are having difficulty identifying a satisfactory niche in a new global system. One Chinese strategist recently put forth three concepts of the world's emerging power structure: unipolarity—the United States being the only country with worldwide military reach; tripolarity—the United States, Japan and Europe with Germany as the main actor—with economic might joining military prowess as the currency of power; or nonpolarity, due to interdependence and the eroding capacity of all states to govern effectively. He noted that no matter which concept or combination best captured reality, it was hard to identify China's strategic significance. None of these concepts yields an easy or satisfying prescription for China's pursuit of national security. This formulation of China's current foreign policy dilemma is echoed by other strategists as well. They stress that China's foreign policy makers are abandoning pretenses of being a global power and now perceive their country primarily as a regional power.

The foreign policy dilemma—perhaps bewilderment is a

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better word—is all the more vexing because of the sudden advent of the leaders' perceived crisis. Only two years ago China seemed on the verge of an era of unprecedented tranquility; no foreign country appeared to pose an immediate threat. But Chinese leaders now perceive themselves as under seige, the potential victims of a massive external effort to subvert their rule and to bring about the peaceful evolution of their system.

Adding to their frustration are regional developments. In the 1980s Japan's defense expenditures surpassed those of China, fueling fears of resurgent Japanese militarism. South Korea and Taiwan became economic actors of global significance. Thailand and Malaysia positioned themselves to be Asia's next "little dragons," and in 1989-90 Indonesia began to attract increased foreign investment. Some foreign capital flowed to Southeast Asia after evaluations of the investment risks and opportunities in China, which suffered in comparison. Nor do the leaders welcome Sino-American tensions. As a distant power, the United States serves as a desirable balance to their Japanese and Soviet neighbors.

China's top leaders are hardly alone in their trouble conceptualizing the changes in world affairs, but the intellectual limitations seem even more severe in China than in most other countries. The conceptual problem goes beyond the elders and includes portions of the next generation of possible leaders and segments of the foreign policy establishment. Several interrelated, widely held perceptions of world affairs make China unlikely to agree soon with American ideas about global trends.

Unless they have had extensive exposure to the West, many Chinese leaders and their strategists still cling tenaciously to the nineteenth-century view of sovereignty as an attainable and essential goal of the state. They hold mercantilist views of international trade. In essence, they believe interstate relations are a zero-sum game. Both China's deep past and memories of imperialist domination until 1949 prompt its leaders—especially the octogenarians—to believe that a hierarchy of power inevitably exists among nations, and the more powerful tend to exploit and dominate the weak. Requisite strategies to attain national security and power entail the retention of independence and flexibility and the avoidance of entangling alliances and enduring commitments.

This understanding of world affairs facilitated the rapprochement with the United States in the 1970s, when both

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sides engaged in a calculus of realpolitik balance-of-power needs. Zhao and his entourage were modifying this view of world affairs, as demonstrated by their effective cooperation with international economic organizations such as the World Bank and the International Monetary Fund. But there has been significant backsliding since 1988, and the prevalent stated Chinese conceptual framework leaves little room for notions of interdependence and subordination of national independence to international norms and regimes—ideas likely to be central to the American search in the 1990s for a new international order.

Rays of hope do exist, however, for reestablishing common understandings to link Chinese and American leaders, though this task requires extensive and protracted dialogue. Coexisting with Chinese sensitivity over national sovereignty is a desire to be involved in and contribute to world affairs. The generation of officials below the elders and their ideologues exhibits greater awareness of the profound changes being wrought by the globalization of manufacturing processes, the telecommunications transformation and the increased geographic mobility of people.

Chinese officials, including Li Peng, do acknowledge increasing interdependence in the international economy, though its implications for Chinese domestic behavior are not clearly understood. Moreover the current leaders have undertaken important steps in recognizing the growing importance of transnational issues such as AIDS, narcotics control, global warming and environmental protection. In these and other areas Chinese professionals have persuaded their leaders to acknowledge openly their own problems and to join in worldwide efforts for solutions. For example, China has admitted incipient narcotics and AIDS problems, and international conferences have been held in Beijing to discuss the issues. A few years ago this would have been unthinkable.

Perhaps most relevant, in private conversations younger officials, intellectuals and ordinary workers are derisive of their leaders' notions that foreign influence is "spiritual pollution" and that the West intends to subvert the Chinese regime through a strategy of "peaceful evolution." Cab drivers, workers and intellectuals throughout China angrily denounce and mock their leaders for their hypocrisy in denouncing the West. The entire urban populace appears to know that all Chinese rulers have sent their children and grandchildren abroad for education and that many ruling families are extensively en-

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gaged in lucrative foreign trade. The yearning among considerable portions of the populace for more extensive contact with the outside world appears quite strong.

VI

China's domestic conditions, its international setting and diverging Sino-American perceptions of international affairs will make China's top leaders even more frustrating to deal with in the future than they were in the 1980s. From arms control and arms sales issues to trade problems and human rights, they react with suspicion and uncooperative inclinations to the many issues raised by the United States. Managing a tension-ridden relationship and preventing its further erosion will be the underlying challenges for the United States in the foreseeable future.

Compounding the difficulty will be the fragmenting of China's authoritarian system. Even when top leaders pledge to meet certain objectives, they are frequently unable to deliver all their colleagues, families and the entire bureaucratic system. This touches on a whole range of issues of concern to the United States: monitoring textile quotas; policing patent and copyright infringements; controlling the illicit flow of narcotics from the Golden Triangle through China's interior to its coast for export to the United States; halting arms sales or transfers of sensitive nuclear and missile technology; preventing the flow of illegal immigrants; or adhering to various environmental protection agreements.

China has already failed to meet many such commitments; the failures will only increase. The failures are not always due to falsehoods, though that too is a problem. Often top leaders are unable to elicit compliance. This erosion of internal discipline and cohesion has already cost the leaders of China one of the strongest assets of the Mao, Zhou and early Deng eras: credibility.

Under these circumstances the challenge of dealing with the world's most populous nation will require patience, persistence and vision, as it has for over a century. When these qualities have disappeared from America's approach, as in the 1950s and 1960s, the damage can be as great to the United States as to the Chinese people. What makes this posture so frustrating is the penchant of Chinese leaders to expect, misinterpret and take advantage of a spirit of generosity.

In defining the American interest in China, the underlying conditions of East Asia must be kept in mind. First, the

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Asian-Pacific region is undergoing enormous change. America's China policy must be part of its overall regional approach, and must also take into account the policies toward China of other nations in the region. The United States no longer has a dominant presence in the western Pacific. Intra-regional trade is growing rapidly. Japan's regional economic role is increasing, and Taiwan and South Korea have also become economic powers of regional and even global consequence. Vietnam is a client of neither the Soviet Union nor China; its determination to control the entire Indochinese peninsula is ebbing, and its leaders are divided over whether to embark on economic and political reform. Thailand, Malaysia and Indonesia are in the midst of rapid economic growth. The United States can influence but not control the China policy of these Asian nations.

In the 1970s and 1980s, in several respects, U.S. policy in the region attached priority to Japan and China. The axiom was that stability would flow from constructive relations with Tokyo and Beijing. Fundamental to this regional design was encouraging and expanding ties between Japan and China. This underlying architecture retains much validity today. Thus it is still important that American and Japanese approaches to China remain congruent. But the rise of South Korea, Taiwan and the Association of Southeast Asian Nations necessitates adjustments to America's previous strategy; their growing roles must be acknowledged.

Second, despite changes in the Soviet Union, China remains strategically important to the United States. Its cooperation is essential in addressing the problems that threaten humanity: dissemination of weapons of mass destruction, environmental and health issues, agricultural production and population growth. Its constructive engagement in issues such as Korea and Indochina is also essential to attaining regional stability. Its behavior toward Hong Kong and Taiwan not only shape their futures but has global economic consequence as well. Its posture in Security Council debates will influence the role the United Nations will play in any emerging world order.

Third, only a modernizing, stable and effectively and humanely governed mainland can fulfill its commitments on issues important to the United States. Only in such a China can the rights and needs of its people be attained. The problems a disintegrating China would pose to East Asia are indeed enormous. Japan, South Korea and Taiwan all recognize their stake in the mainland's economic development and stability.

Finally, America has only limited influence on China's

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internal affairs. The United States cannot create to its liking small countries on its doorstep—Panama, Haiti, Cuba, El Salvador. And experiences in the Middle East and Southeast Asia demonstrate that Americans have no special talent for shaping the governance of countries farther afield. Yet, for reasons that have fascinated successive generations of historians, America has periodically sought to produce a China more to its liking. The efforts have always ended in massive failure. The disappointments were attributed to Chinese inadequacies and, in exasperation, Americans called for sanctions, reparations and even China's isolation until the leaders responsible for the failures were driven from office. The United States still seems trapped in the cycle of a "love-hate" relationship with China. It seems reluctant to acknowledge the obvious: China represents a distinct and proud civilization whose search for modernity will continue to be punctuated by calamity and tragedy and whose necessary incorporation into world affairs will require years of effort.

VII

Several specific policies flow from this general appraisal. A resumption of official, high-level dialogue between Beijing and Washington seems warranted. The American interlocutors should be authoritative political figures, such as the secretaries of state, the treasury or commerce, the president's special trade representative and members of Congress. Intermediaries at the bureaucratic level—even ambassadors and assistant secretaries—are important but insufficient to a process that must reach a wide range of China's current and future political leaders, both in Beijing and the provinces. There should be little expectation, however, that conversations will produce immediate results. Rather, the purpose of these political conversations with China's leaders is to ensure that they hear in undiluted fashion American political views, and for American political figures, in turn, to understand Chinese perspectives.

Human rights must be an important part of the dialogue. This will add acrimony to the relationship, but China's leaders must understand that how they treat their people has global consequence and hence is of legitimate universal concern. The leaders of China must be told directly and repeatedly that the nature of their rule and of American rule are appropriate subjects of international scrutiny. At the same time, Washington should not expect Beijing immediately to accept all of its

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views, nor should the entire relationship await Chinese compliance with American concepts of human rights.

The United States should resume efforts to engage China energetically on matters of global interdependence. When China clearly violates its commitments to international regimes, such as that preventing proliferation of nuclear weapons, or when it disdains emerging norms, such as limiting the spread of missile technology, appropriate sanctions should be applied—preferably through multilateral agencies. But the United States should seize upon the instances of China's acknowledgment of interdependence, as in global warming, environmental protection, agricultural production, more humane methods of birth control, control of communicable diseases (especially AIDS) and prevention of narcotics trafficking. It makes little sense for the White House not to welcome representatives of the relevant Chinese bureaucracies in these areas—such as Beijing's ministry of public health or its environmental protection agency. To foster active programs of cooperation in areas of interdependence benefits both the Chinese and American people.

American economic relations with China present a particularly complicated set of issues. On balance, extension of MFN trade status should continue, on grounds that its withdrawal would undermine the future of Hong Kong and weaken entrepreneurs and foreign-oriented sectors of the society. Moreover, America's economic involvement in China promotes the process of economic and political reforms. While China's burgeoning trade surplus with the United States must be addressed, withdrawing MFN status is the wrong weapon with which to attack this problem. Rather, remedies should be sought under the Trade Act—such as energetic filing of antidumping cases, strict monitoring of textile agreements, swift restriction of textile quotas when Chinese exports exceed agreed limits and use of the 301 clause when intellectual property rights are violated.

On regional issues, in two important respects, perhaps the time has come to be less sensitive to the views of Beijing's current leadership. Taiwan's application for membership in the GATT deserves evaluation on its own merits, which are considerable in light of Taiwan's economic accomplishments, and should not be held hostage to the pace of negotiations on China's membership. These negotiations must continue in a hard-headed fashion, and hence will be protracted. Taiwan could well precede the mainland into the GATT, but this is

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already the case for Hong Kong. And China should be able to accommodate itself to this development under its "one country, two systems" formula.

The rationale for a constructive American engagement with the Chinese mainland also pertains to Vietnam. The opportunities presented by the changes in Hanoi deserve pursuit. The United States, together with Japan and the Group of Seven leading industrialized nations, should seek to draw Vietnam out of its isolation through diplomatic recognition, dropping trade embargoes and offering economic assistance. Tying these moves to a resolution of the Cambodian conflict—the current American policy—places the cart before the horse and enables China, through its support of the Khmer Rouge, to exercise veto power over American policy in Indochina.

This set of policies entails adjustments to Washington's present mix. Still, current Chinese leaders will not be happy with it. While they would welcome resumption of high-level visits and retention of MFN status, any credit won through such moves would be dissipated through adverse reaction to Taiwan's GATT membership and America's emphasis on human rights and a tough posture on trade issues. But the total package does seem to be politically sustainable. It seeks to retain and, when possible, expand links with the Chinese people and reform-oriented bureaucracies and regions during periods of uncertainty. It places the Bush administration in a position to expand the relationship should opportunities present themselves on the Chinese side, or to hunker down in case the situation in Beijing deteriorates.

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V. P. Gagnon, Jr.

YUGOSLAVIA: PROSPECTS FOR STABILITY

Yugoslavia has been wracked by the worst violence since World War II—bloody clashes, bombings and the storming of a military facility by a mob. Western reports have stressed the inevitability of escalating ethnic violence that has already left more than two dozen people dead. Some argue that Yugoslavia's continued existence is impossible. At this writing, the outlook is indeed uncertain—but there is reason for a less pessimistic conclusion.

In early May, faced with potential civil war in the republic of Croatia, Yugoslavia's eight-member federal collective presidency and the leaders of its six republics pulled the fragile federation from the brink. This attempt at crisis management was yet another indication of the Yugoslav leaders' commitment to a negotiated settlement of the country's dilemma. To be sure, there have been sporadic episodes of paralysis at the top, as in the constitutional crisis provoked by Serbia's veto of the normally automatic rotation of the federal president.

On the crucial issue of the future form and course of this troubled country of 24 million, however, there is still a sense among the country's leaders that only through an intensified process of bilateral and multilateral negotiations can the various nationalities find a lasting solution to the deep-seated frictions resulting from the collapse of Tito's "self-management" system.

Appeals to ethnic-nationalist sentiment, to the interest of the nation, have been used as a powerful political instrument by leaders in all of Yugoslavia's republics. But the way in which the interests of the various "nations" have been defined has shifted. Confrontational declarations on the absolute right of republics to secede have given way to a more sophisticated recognition that ethnic unrest and unilateral faits accomplis serve only to exacerbate existing political and economic crises.

After its break with Stalin in 1948, Yugoslavia was regarded

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in the West as a bold experiment in "market socialism," whose impressive economic growth rate and living standards were among the highest in eastern Europe. But this highly vaunted example of reform socialism is currently on the brink of economic and social collapse. The federal Communist Party has disintegrated and noncommunist governments have come to power in four of the six republics. None of the republics are paying their full share of tax revenues to the federal government. Four republics have declared their sovereignty takes precedence over the federation, and one, Slovenia, is threatening to proclaim de jure independence in June. The federal government has been reduced to a referee in the real battle over the future of Yugoslavia, which is unfolding among the republics. Despite these inauspicious circumstances, a new confederated form of Yugoslavia seems ready to emerge—much looser than the previous federation, but with continued economic, political and military links. This new confederation will be based on shared interest in economic recovery and political stability.

As a multinational country emerging from a state- and party-dominated economic and political system, Yugoslavia represents a test of whether transitions to democratic institutions and capitalism can foster stability and dampen the excesses of chauvinistic nationalism. To understand these developments, it is necessary to examine the roots of the present Yugoslav dilemma, including the rise of nationalism as an instrument of political struggle.

II

In the six years following Tito's death in 1980, two central issues defined the growing crisis within the country: Kosovo and the faltering economy. Both issues were the result of Tito's decentralized management system, whose weaknesses and contradictions had only been superficially glossed over by Tito's immense personal authority. Once the charismatic leader was gone, the system's fault lines became clear.

The province of Kosovo, the heart of the medieval Serbian kingdom, gained a large degree of autonomy in the 1970s. Tito hoped to use the province—Yugoslavia's least developed region, whose population is 85–90 percent ethnic Albanian—as a means of showing the superiority of Yugoslav socialism in overcoming nationalism and underdevelopment. But the autonomy of the province and the inflow of economic

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development funds did not produce the desired effects. Living standards remained much lower than those of the rest of Yugoslavia. And the Kosovo leadership, as in other republics, was instilling a sense of ethnic pride that came to undermine Tito's vision of a harmonious "community" of Yugoslav peoples. By March 1981 rising ethnic Albanian demands for self-determination and improved living standards erupted into demonstrations and violent riots, as well as calls for a fully autonomous Kosovo republic. These demands created fears among Serbs that Kosovo would seek to link itself with neighboring Albania.

Claiming they were being pressured to leave the province by ethnic Albanians seeking eventual unification with Tirana, the province's Slavic population—which had decreased by 35 percent between 1971 and 1981, according to the regional government—became increasingly vocal and directed its complaints at Belgrade.

The League of Communists of Yugoslavia (LCY), the all-union Communist Party, cracked down on ethnic Albanian nationalism. Yet the political opposition in Serbia, led by the Serbian intelligentsia, accused the regional Serbian communist leadership (LC SERBIA) of betraying the interests of Kosovo's Serbs. This regional opposition seized on Serbian nationalism to exploit popular dissatisfaction: it was used as a vehicle to question the party's monopoly of power and demand a liberal multiparty democracy in the republic. The issue of Kosovo thus took on a life of its own, gaining a much wider political significance.

III

The deteriorating economy provided another source of discontent. By 1980 the economic system was in need of serious reform, saddled with an $18-billion foreign debt, an annual rate of inflation approaching 40 percent and a jobless rate of 12 percent. The 1974 constitution had sought to dampen political nationalism by ceding de facto economic autonomy to the six republics and the two provinces, Kosovo and Vojvodina. But the primacy of politics over economics remained. Instead of the center running the entire economy, there were eight centers running eight economies. The leadership of each tended to carry out autarkic policies meant to reinforce its political position within the republic. Meanwhile managers were appointed by local and republican party orga-

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nizations on the basis of political loyalty rather than expertise. Despite the impression that workers actually ran factories, these political managers operated the country's autonomous enterprises. Such policies contributed to Yugoslavia's economic stagnation.

There was little reason for loyalty to the center, and indeed a central party apparatus was virtually nonexistent. So as each republic pursued its own interests, the interests of the federation as a whole had few representatives, and those who sought to advance those interests had few instruments with which to do so, apart from appeals to party unity. The debate on economic reform following Tito's death therefore became a drawn-out ideological and political battle.

Finally, a long-term economic reform program was adopted in 1983. Its main components were a united Yugoslav market, production based on performance criteria and increased reliance on small private enterprises to generate jobs. Yet this reform collided with the interests of the republic and provincial party organizations, whose grassroots support came from those with the most to lose from changing the existing system.

The result was stalemate. The central party's inability to deal with the deteriorating economy triggered calls from within and outside the party for democratization, pluralism and respect for human rights. Rather than cede any control, the party cracked down on internal dissent, threatening purges to reduce the power of republican and provincial officials blamed for blocking the reform. The response outside the party, especially in Croatia and Serbia, was to arrest and harass the opposition. Thus, as the LCY was attempting to implement a liberalizing economic reform, it also came to rely on more authoritarian measures to quell internal and external criticism.

The failure of this strategy was evident by mid-1985, when the sharp power struggle within the party broke into the open at a meeting of the central committee. By the end of the year, Kiro Gligorov, one of the architects of the reforms, declared that they had totally failed. Unemployment was above 15 percent, inflation was approaching 100 percent, the growth rate was down to 1 percent and strikes were increasing, a situation described by then Prime Minister Milka Planinc as "explosive."

The 13th Party Congress in June 1986 failed to overcome the LCY's disunity. Meanwhile, as the economic situation worsened and as the party proved increasingly paralyzed by its

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disunity, opposition groups stepped up their attacks. Especially in Serbia—the country's most populous republic—such attacks focused on the party's alleged disregard of the Serbian national interest. It was this use of nationalism as a political issue that effectively broke the stalemate over economic policy reform.

IV

One of the most significant groups to use nationalism against the party was the Serbian Academy of Arts and Sciences. The academy condemned "incompetent" leaders for the economic and political crisis, attacked the party as having worked against Serbian interests for the previous 45 years and decried the "economic subjugation" of Serbs as due to the "anti-Serbian coalition in Yugoslavia." Meanwhile, Kosovo Serbs continued to rally in Belgrade to condemn the party's policy in the province. On the eve of the June 1987 meeting of the party central committee, noted Serbian writer Dobrica Ćosić and Tito biographer and party veteran Vladimir Dedijer openly blamed the Serbian party leadership for the situation in the province.[1] At the same time two economic laws, one freezing wages and the other on enterprise bankruptcy, provoked a rash of strikes over falling wages, exacerbating political tensions.

Faced with these challenges, Serbian regional party chief Slobodan Milošević seized on the Kosovo issue in September 1987 to consolidate his control over the Serbian party organization. Milošević ousted the faction that followed the official party line and had warned against nationalist excesses, including outbreaks of Serbian nationalism. By making the party the defender of the Serbs in Kosovo, Milošević was able to restore the authority and legitimacy of the Serbian party in the eyes of many in the republic.

Milošević proceeded to take a hard line within Serbia, cracking down on opposition groups and journalists critical of his leadership.[2] Indeed, he continued to exploit nationalist issues. He appealed to a populist, chauvinistic version of Serbian nationalism. He stressed that Serbs had been ill-served

[1] *Književne novine*, June 1, 1987; *Dnevnik*, June 15, 1987, cited in *Radio Free Europe Research* (Yugoslavia Situation Report, no. 87), June 29, 1987.

[2] The Serbian Writers Association in March 1988 attacked the Serbian leadership as repressive and called for immediate institution of a multiparty system, direct popular election of officials and wide-scale private enterprise.

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by the existing political system, and he portrayed Serbia as threatened from all sides. At the same time the Serbian party began pushing hard for a recentralization of the LCY in order to weaken the regional party organizations.

The new Serbian leadership's nationalistic appeals, hardline policy in Kosovo and successful attempts in late 1988 to subvert the leadership of the republic of Montenegro and the province of Vojvodina were radicalizing the policies of the other republics.[3] Even the conservative Croatian party was calling for an abandonment of its political monopoly. But the strongest opposition to continued monopoly of the party erupted in Slovenia, and included important elements within the LC SLOVENIA. Slovenia, to be sure, had also heard unofficial calls for the abolition of the Yugoslav army.

In May 1988 an event crucial to the fate of Yugoslavia occurred: two Slovenian journalists uncovered an alleged plot by the Yugoslav People's Army (JNA) to arrest 200 Slovenian officials, intellectuals and journalists, and if necessary to use armed intervention to put down massive protests. This report electrified the northwestern region, the most prosperous and ethnically homogenous of Yugoslavia's republics. Independent parties were formed, and by January 1989 even the LC SLOVENIA leadership admitted the need to abolish its regional monopoly. By May an informal vote was held in the republic on Slovenia's sovereignty, its right to secession, free multiparty elections and private property.

Soon Serbian pressure against Slovenia increased. When plans for a "meeting of truth" by 100,000 Serbs in December 1989 in Ljubljana—the Slovenian capital—were blocked by Slovenian security forces, the Serbian leadership declared a total boycott of Slovenian goods and a severing of cultural relations.

The final showdown came at the extraordinary 14th Party Congress in January 1990, when the Slovenian delegation walked out, destroying any hope for a unified LCY. Convened at Serbia's request with the apparent goal of recentralizing the party, the special session was meant to change the rules—to abolish the autonomy of the republican party organizations. But the Slovenes rejected this approach, proposing instead

[3]On the use of mass street rallies to topple the Vojvodina and Montenegrin leaderships, see *Radio Free Europe Reports* (Yugoslavia: Situation Reports no. 8 and 9), Sept. 23 and Oct. 11, 1988.

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that the league be turned into a formal confederation of independent parties. When this proposal was rejected—along with a Slovenian document calling for general free elections, separation of party and state, and respect for human rights in Kosovo—the Slovenian delegation quit the congress. Though such a departure could have given the Serbian party the chance to adopt its positions, the Croatian and Bosnia-Herzegovinan parties declared they would not continue without the Slovenes. Indeed, all three delegations saw a common threat in the attempt to institutionalize resurgent Serbian nationalism. The result was stalemate and indefinite adjournment of the congress.

V

The Serbian strategy of using party unity to recentralize the country had failed and indeed pushed other republics to accept multiparty elections. Although the simultaneous collapse of communist governments in the rest of eastern Europe was cheered by most Yugoslavs, it was not the main cause of Yugoslav pluralism since the push toward multiparty democracy in Yugoslavia had begun by the mid-1980s. If anything, these events merely hastened an already inexorable development.

Elections were held in Slovenia and Croatia in April and May of 1990. Communist parties lost at the polls. In Slovenia, where all parties made appeals to Slovenian national interests, LC SLOVENIA ceded power to a center-right coalition, the Democratic United Opposition of Slovenia, DEMOS.

The issue of nationalism proved an important factor in LC CROATIA's unexpected loss of power to the nationalist Croatian Democratic Union (HDZ), a party founded by former partisan General Franjo Tudjman. (Tudjman was among those Croatian party officials purged for nationalist excesses in the early 1970s.) The HDZ's election program included calls for Croatian independence, a "greater Croatia" absorbing parts of Bosnia-Herzegovina and condemnations of "greater Serbian hegemony."

Faced with the victory of nationalist opposition groups in the two northwest republics, Serbian leader Milošević increased his own nationalist rhetoric, denouncing those elections as illegal. He proclaimed that Serbia also could go its own way, though only with major changes in "administrative borders" of the existing republics such that all Serbs would live within one

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Serbian state. This was a thinly veiled threat of annexation and civil war, as 30 percent of all Serbs live outside Serbia. In line with this stance, LC SERBIA in June renamed itself the Socialist Party of Serbia (SPS), with a "democratic, left, socialist orientation," and it accepted a multiparty system.[4]

During the summer and fall of 1990 election campaigns took place in Serbia, Montenegro, Macedonia and Bosnia-Herzegovina. The Serbian election was dominated by Milošević, who ran for president of the republic. As in the other republics, the ruling party was attacked from the right by a nationalist anticommunist party—in this case, the Serbian Renewal Movement, led by writer Vuk Drašković. The liberal and democratic parties also had anticommunist platforms, blaming the economic and political crisis in the republic on the communist party leadership. (Tanjug, the state news-agency, reported just before the election that one-third of the total number of collectives in Serbia had negative balances, and that the losses were skyrocketing, ten times greater than in the same period the previous year.)[5] Given the state of the economy, such positions, which had been the key to victory for nationalists in Slovenia and Croatia, would seem to have a good chance of success. But Milošević—with his virtual monopoly on the Serbian media—already staked out the nationalist issue and, importantly, combined this with appeals to those who had the greatest interest in maintaining the command economy. Milošević opposed a true economic reform because he knew such a market-oriented overhaul would result in the closure of thousands of inefficient factories in the state-owned industrial sector. The closure of the factories—as required under the large-scale privatization called for by Federal Prime Minister Ante Marković—would exacerbate the republic's already dire unemployment. Milošević blamed the poor state of the Serbian economy on federal policies.

The assignment of responsibility to the federal government clearly appealed to those workers whose jobs would be threatened if the economy were run only with regard to efficiency and productivity, as the federal reform foresaw. Milošević's party, unlike the communist parties in Slovenia and Croatia, thus managed to remain in power by coupling a

[4]*Politika*, June 9, 1990.
[5]Tanjug, Nov. 12, 1990.

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defense of the statist economic system with appeals to nationalism.

Yet the Serbian electorate, with its Belgrade-based intelligentsia, contained a significant liberal sector. (The Serbian party in the early 1970s had been a center of liberalism.) To ensure an overwhelming victory, Milošević had to reassure this group that Serbia was to be part of Europe, that he supported progress, peace and economic prosperity. Milošević received 65 percent of the vote for Serbian president (against Draškovć's 16 percent), and his party won 194 of 248 seats in parliament (the next largest party was Drašković's, with 19 seats). The united opposition holds 56 seats.

VI

After elections, as the economy deteriorated, Milošević employed a tactic that seemed to have abetted his political standing in the past: defining the interest of the Serbian nation in terms of threats from abroad and charging that Serbia was encircled by enemies. This included allegations that the U.S. ambassador, Warren Zimmerman, was a CIA agent.[6] The Serbian ruling party also alleged that the Austrians, Hungarians, along with Slovenes and Croatians, sought to reestablish the historic enemy of Serbia, the Austro-Hungarian Empire; that the Croatians were conspiring with Sofia to give Macedonia to Bulgaria; that an anti-Serbian plot including international capitalism, the Vatican and the Comintern were all out to destroy the republic. Another key part of this strategy was portraying Serbs in the rest of the country, especially in Croatia, as threatened with extermination. Such desperate accusations were obviously attempts to use chauvinistic nationalism to overcome rising Serbian discontent over the increasingly poor state of the economy and the continued suppression of basic democratic rights.

The elections in Bosnia-Herzegovina and Macedonia confirmed the Serbian leadership's political isolation within Yugoslavia. In Bosnia-Herzegovina a coalition government was formed by Muslim, Croatian and Serbian nationalist parties, which won on anticommunist platforms. In Macedonia a tripartite coalition government was formed between the Mace-

[6]*Politika Ekspres*, Feb. 18, 1991.

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donian nationalist party, the mainly ethnic Albanian Party of Democratic Prosperity and the liberal-reformist Macedonian League of Communists, despite harsh polemics among them during the campaign. A key reason these parties agreed to work together was the perception of a threat to Macedonian autonomy from the Serbian party leadership.

Thus Serbia, along with Montenegro (where the communists won 83 of 125 seats in parliament), remained the only parts of Yugoslavia committed to a "socialist" economy, against wide-scale privatization and for continuation of "administrative" methods of economic management. The other major supporter of such a position was the Yugoslav People's Army, whose officer corps is dominated by Serbs. Though it dissolved the LCY organization within its ranks, for fear that other parties would be allowed to establish cells within the army, the JNA refused to give up what it saw as its important political role in the country. To that end, a group of retired army officers set up the "League of Communists-Movement for Yugoslavia" as the successor to the old LCY.

The LC-MY, formed in November 1990, with a hardline, orthodox platform that calls for the defense of socialism, condemns the Croatian and Slovenian governments as puppets of international capitalism and describes Hungary as the main front of Western activities against Yugoslavia. The party's stated goal is to rally all leftist forces in the country and become "the main political force in Yugoslavia." That goal was described as the only way to ensure the continued existence of Yugoslavia as a federal state.[7]

Such a situation seemed to augur poorly for the continued existence, in any form, of Yugoslavia. Indeed, as the economic situation in Serbia continued to deteriorate, the Serbian leadership intensified its attacks on the leadership of other republics and reiterated that any disintegration of Yugoslavia would mean a total redrawing of borders. Milošević encouraged Serbs in Croatia in their proclamation of an autonomous region (which itself includes significant numbers of Croatians) and then in their declaration of separation from Croatia. He apparently also encouraged situations involving armed clashes in Croatia to serve as provocations for JNA intervention. Yet as

[7]*Borba*, Feb. 1, 1991.

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before, this growing challenge to the integrity and security of Croatia boomeranged.

VII

Throughout February and March 1991 the leaderships of the other republics effectively worked together to contain what they saw as a hegemonic threat from Milošević's policies. Despite the international attention given to its purchase of Hungarian weapons to equip its territorial defense force as an army, the Croatian leadership moderated its more extreme demands and recognized that there were important reasons for Croatia to remain within some confederalized form of Yugoslavia. Some within the Slovenian leadership also recognized that unilateral and immediate secession was not in their interest.

The reasons for these shifts were both internal and external. Externally, both the Croatian and Slovenian governments were elected on the platform of bringing their republics into the European integration process. But the European Community (EC) and the European Free Trade Association made it quite clear that they would want to include Yugoslavia only as a single market, not as six individual republics.[8] Likewise the International Monetary Fund stated that continued cooperation would be forthcoming only with a united Yugoslavia.[9] And without IMF approval, western credit markets will remain inaccessible.

Internally there are also strong reasons for the two republics to seek a continuation of some sort of Yugoslavia. First is the economic factor: for both Slovenia and Croatia the biggest market for their products is Yugoslavia. Secondly, as recent events showed, the specter of ethnic violence is serious. Given the extent to which the populations of Croatia and Bosnia-Herzegovina are mixed (11.6 percent of Croatia's population is Serbian, for example), any unilateral move to divide Yugoslavia into de jure independent states could degenerate into uncontrollable violence. With that in mind the Croatian leadership toned down its rhetoric. Though still seeking to realize the rights and sovereignty of the Croatian people, it recognized the rights of Serbs and other nationalities within the republic, foreswore immediate and unilateral secession and continued to participate in political negotiations on the future of

[8]Tanjug, Feb. 5, 1991; *Frankfurter Allgemeine Zeitung*, May 14, 1991.
[9]Tanjug, Feb. 4, 1991.

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Yugoslavia.[10] Though Tudjman was harshly criticized by the right wing of his party for such conciliation, his authority is sufficient to carry it out.

Milošević's coercive strategy by comparison has also made the Slovenian and Croatian leaderships seem moderate and reasonable. Indeed, in the several major cases of armed confrontation during the first quarter of 1991 in Croatia—Knin, Pakrac and Plitvice—the Croatian government acted in a relatively restrained manner, accepting the presence of the JNA as a means of preventing escalation.

Even in Slovenia, where a popular vote in December 1990 on independence won overwhelming approval, there exists within the leadership and parliament disagreement on how to proceed and how far to go. For example, Janez Drnovšek, Slovenia's representative in the federal presidency, has argued that Slovenian independence cannot be achieved by unilateral declaration.[11] Also, due in part to the request of the Croatian government, the Slovenes slowed their moves toward full independence in order to take part in the talks on the future of Yugoslavia. This shift is significant especially since the Serbian leadership had stated its willingness to countenance Slovenian secession.

The positions of Bosnia-Herzegovina and Macedonia are more difficult. Until January both republics had claimed that they wanted to maintain Yugoslavia as a federation. For Bosnia-Herzegovina the presence of a significant number of Serbs (32 percent of the population) was sufficient motivation. For Macedonia, the fact that none of its neighbors recognize the existence of a separate Macedonian people would mean that few would protest a Serbian attempt to reabsorb what before the Second World War were called "South Serbs" into a greater Serbia. But as Milošević's rhetoric and strategy became increasingly confrontational, these republics also shifted their positions. In February Alija Izetbegović, president of Bosnia-Herzegovina, declared the republic's sovereignty, contradicting one of his election pledges. And both Bosnia-Herzegovina and Macedonia have stated that they would not remain in a Yugoslavia that did not include Croatia and Slovenia.

[10] *Vjesnik*, Dec. 23, 1990.
[11] *Danas*, Feb. 26, 1991, pp. 11–12.

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VIII

The willingness of other republics to compromise and continue negotiations undermined Milošević's strategy of confrontation. As a result Serbia became isolated within the federation. This was significant because the federal presidency, the one legitimate all-federation decision-making body and commander of the JNA, reaches decisions by majority vote with each republic and province enjoying one vote. Serbia controls the votes of Kosovo and Vojvodina and has the support of Montenegro. But even with this alignment Serbia has only 50 percent of the total and thus is unable to achieve its goals within the presidential council.

Milošević's position was further weakened in March of this year by anti-government demonstrations in Belgrade—the capital of the country and the republic of Serbia. Begun initially by an opposition party's protest of the SPS's monopoly on the media, the demonstrations quickly expanded to tens of thousands of people denouncing all of Milošević's policies. Milošević's subsequent attempts to call in the army to quash the demonstrations failed when the presidency refused to approve Serbia's request.

In the wake of the March events, and with the failure of his attempt to build support by again citing threats to Serbia, Milošević was forced to moderate his policies. A new modest effort at economic reform was proposed by the Serbian government. During talks in Slovenia in April with other republican presidents Milošević seemed to step back from confrontation and compromised on several key issues, including republic sovereignty and acceptance of what—de facto—was a confederal approach to the future governance of Yugoslavia. But as Milošević's position in Serbia weakened ethnic violence flared anew.

Recent interethnic conflicts in Croatia between Eastern Orthodox Serbs and Roman Catholic Croats are the result of the HDZ's nationalist appeals, as well as of provocations by Serb extremists from outside the republic. During communist rule the Croatian Serbs were heavily represented in the LC CROATIA and in the republic's police force. But, with the rise to power of the HDZ, the Communist Party was displaced and Tudjman set about purging Serbs from the government and police apparatus. The HDZ's policy of recentralization of the Croatian economy also threatened the republic's Serbian population

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since it placed the previously autonomous enterprises of the Serbian-dominated regions under centralized HDZ control; indeed some Serbs have been fired solely on the basis of nationality.

Serb extremists seized on these policies—and the creation by Tudjman of a Croatian national army—for their own political advantage. Playing on these fears, and evoking the massacres of Serbs that occurred under the Nazi-controlled fascist "Independent State of Croatia" during World War II, these local Serb extremists—with Milošević's support—managed by early 1991 to consolidate power within the Serbian communities of southern and eastern Croatia and to declare a "Serbian Autonomous Region of Krajina."

By late April, with Milošević's standing in danger, the Serbian leader sought to exacerbate the situation in Croatia in hope of provoking a violent Croatian response: thereby giving the federal army a reason to occupy the republic. The Croatian Serbs declared that they would unite their autonomous region with the Serbian republic. And Milošević encouraged, or at least allowed, extremist Serbian nationalist groups from Serbia to infiltrate predominately Serbian regions of Croatia. These groups openly called for annexation of Croatia and Bosnia-Herzegovina and for revenge for the World War II massacres. Allied with native extremists, they set about to destabilize the region by inciting violent clashes. They ambushed Croatian police—killing 12 officers in one incident—and terrorized both Croatian and Serbian residents of the region. The result was what seemed to be the beginning of spiralling violence and perhaps civil war. Yet the federal presidency and the republic's leaders again managed to avert escalation and indeed reached agreement on May 9 that seemed to set the stage for peaceful resolution.

Given this situation, is there hope for the continued existence of even a loose form of Yugoslavia? The key question in the short term is the ethnic conflict in Croatia. Here the May 9 agreement provided a temporary solution: Serbian acceptance of the existing republic borders and recognition of the legitimacy of Croatian authorities; Croatian pledges to negotiate with its Serbian population on all disputed issues; recognition by Croatia of the role of federal institutions, especially the JNA, in preventing further violence; and disarming by the JNA of groups and individuals in the restive parts of Croatia.

This settlement is a key step toward dampening ethnic

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clashes. Indeed relations between Serbs and Croatians in the region are not inevitably hostile. Not all Serbs living in Croatia are extremists; over the past few months groups of moderate Croatian Serbs have held talks with Tudjman on all issues of concern to their community. From a historical perspective, this area experienced little ethnic violence prior to the twentieth century and never witnessed the vicious religious wars seen in western Europe. During World War II Nazi collaborationist leaders used chauvinistic nationalist appeals, resulting in bloody massacres. But it was just such behavior by extremists that led to wide support for Tito's partisans, who ultimately united these ethnically mixed regions of the country. In today's Yugoslavia, an acute awareness of the dangers of ethnic extremism and spiralling violence provide ample motivation—among ruling and opposition parties alike—to seek a compromise settlement.

Even if it quickly overcomes ethnic unrest Yugoslavia must still resolve the other key question: the future political shape of the country. As noted, the country's leaders have acknowledged strong foreign policy and trade reasons to preserve some modified form of Yugoslavia.

Since January the leaders of the six republics have agreed to seek an outcome that respects democratic processes, recognizes the legitimacy of federal institutions and renounces violence.[12] All republics have agreed to acknowledge certain basic functions of the federal government until some lasting solution is found. These include the dinar as the single Yugoslav currency, a single monetary policy, responsibility for foreign and security affairs and further restructuring of ownership.[13] The May 9 agreement also recognizes the important role of the Yugoslav army in ensuring stability, and it increases the role of federal authorities.

There is less agreement, however, on economic reform. The program of Prime Minister Marković, adopted in early 1990 with the blessing of the IMF, called for radical privatization and succeeded in lowering the once astronomical inflation rate (2,660 percent at the end of 1989) to less than one percent in June 1990. But by the end of 1990 the political stalemate all but paralyzed the reform. At present, the IMF and the EC have promised a combined $2 billion in credits to support Marković's reform efforts. This may strengthen the premier's position.

Marković himself stresses that ensuring the dominance of

[12]*Oslobodjenje*, Jan. 14, 1991.
[13]Tanjug, Jan. 24, 1991.

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private property is a "necessary precondition to establish a new political and social order" and to stabilize the situation in Yugoslavia, since this would create common interests cutting across republic and nationality lines.[14] This transformation of property relations is perhaps the largest hurdle. Milošević is clearly opposed to such transformation. But even in the northwestern republics, where the governments won elections on the platform of private property rights, the entrenched interests pose serious obstacles to a true restructuring.

The first obstacle is the continued insistence of the republics on economic sovereignty. There is also the question of existing interests that would be negatively affected by privatization. Slovenia has gone furthest in overcoming this resistance. But in Croatia a contentious debate over privatization is unfolding. The Croatian Assembly in February transformed "social property" into state property rather than privatizing, thus increasing state control over the economy. Such moves show that even where a government is elected on a commitment to promote private ownership, the obstacles are enormous.

IX

The main obstacle to a new form of Yugoslavia—based on the principles of market forces, multiparty democracy and private ownership—has been the Serbian leadership, which has consistently stirred up ethnic conflict to its own ends and is the most resistant to a looser form of unity. But the Belgrade street demonstrations in March of this year showed that the economic and political situation in Serbia has reached a critical point, and the Serbian opposition, which during the election campaign in November seemed to be at opposite ends of the political spectrum, has now accepted the need for the abovementioned principles.

Even Drašković, who during the election campaign was among the most aggressive advocates of Serbian nationalism, has moderated how he defines that interest. Most notably, he has denounced the use of force to resolve conflicts among nationalities and republics.[15] Drašković has described Croatia's leaders as "sensible men," in contrast to Milošević's characterization of the Croatian chiefs as "fascists."

Other Serbian democratic opposition parties have long

[14]*Borba*, Nov. 1, 1990.
[15]*Oslobodjenje*, Feb. 27, 1991.

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called for a peaceful resolution of the crisis and have rejected Milošević's attempt to rally all Serbian parties around the issue of threats to Croatia's Serbs. There are growing indications that the united opposition can rally enough support from dissatisfied Serbs to call new parliamentary elections and thereby topple Milošević's government.[16] The increasing discontent with Milošević's policies was evident in recent strikes of 700,000 industrial workers in Serbia. The Serbian press also has harshly criticized Milošević's policies, and recent polls show that SPS support among the electorate is plummeting.[17] And there is a growing split within Milošević's own party as moderates gain dominance. Indeed, an important issue was that Milošević had been promoting civil war. Given the degree to which defense of the Serbian people has become the defining issue in Serbian politics, nationalism will undoubtedly remain salient and divisive. What is clear is that the issue's resolution does not require violence or great-power intervention.

x

During this crisis the Soviets have been noticeably quiet. The Soviet-Yugoslav relationship in the early 1980s remained cool. After 1985 Gorbachev's "de-ideologization" of relations did much to improve ties with Belgrade. But economic ties remained problematic, as the Soviets built up a trade deficit of $2 billion by 1990—in effect, an interest-free Yugoslav loan to Moscow that had negative effects on the Yugoslav economy. Finally in November 1990 Moscow agreed to clear its significant debt with Belgrade.

But as conservative forces gained dominance in Moscow, Yugoslav views of the Soviet Union have split. On the one hand, Croatia and Slovenia have criticized Moscow's hardline policies and accused the Soviets of aiding Milošević. Serbia, meanwhile, has portrayed Russia as its historic friend. Indeed, a great deal of Yugoslav exports to the Soviet Union are produced in Serbia. Though placards at some of the Serbian street rallies have called for "Russian intervention," the Soviets have enough problems at home. In addition, although the Soviets have expressed their strong desire that Yugoslavia remain a united country, the fact that they did not intervene

[16]*Danas*, April 9, 1991, p. 26.

[17]For example, see *NIN*, March 29, 1991, p. 10; on the polls see *Borba*, April 1, 1991, pp. 14, 19.

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over the fall of communism in east European countries of much more strategic and ideological importance makes it highly unlikely that they would become involved in attempting to maintain or restore socialism in Yugoslavia. To be sure, the Soviet leadership's chief concern is maintaining the unity of its own charge: the U.S.S.R.

For the United States, Yugoslavia's importance in the post-war era was a direct function of the Cold War. Though a socialist country, Yugoslavia remained outside the Warsaw Pact and thus denied Moscow access to the Adriatic coast. This geostrategic importance caused the Carter administration to warn Moscow against threatening Yugoslav independence. Although Yugoslavia may have been so during the Cold War, it is no longer a possible catalyst for East-West confrontation.

Rather, Yugoslavia represents a test of the possibility of overcoming hatreds of the past and the causes of violent conflict by relying on political pluralism and appealing to broad economic interests. If democracy and economic development succeed in overcoming the nationalist passions recently stirred in Yugoslavia—a country that has struggled with interethnic rivalries throughout its 73-year history—then the long-term stability of Europe seems more plausible.

XI

What should the West do with regard to Yugoslavia? Yugoslav leaders realize that continued violent interethnic strife would not be in their interest and, in this, their interest coincides with all of Europe's. Milošević may again seek to undermine agreement through a manufactured crisis. This would test the determination of Serbian moderates and leaders of other republics to continue constructive dialogue. The policy of the West should be to reinforce those committed to political negotiation. To this end the Europeans have much greater ability and direct interest in influencing events in the region. Foreign concern played a significant role in the May 9 agreement. Statements and actions by the EC to date—stressing the desire to see some continued links between the individual republics, such that Yugoslavia would at a minimum become a united market—have played an important role in dampening escalation of the crisis.

The United States, however, is considering cutting off all aid to Yugoslavia due to Serbia's actions—citing a violation of human rights in Kosovo. This could end IMF loans. Such a

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move would seem to be counterproductive since the prospect of IMF funding has been a vital factor in continued commitment to a negotiated outcome of the Yugoslav crisis. Indeed, economic stabilization is the key. The West should direct technical, managerial, and, where appropriate, financial aid to those republics that make sincere efforts to find a common political solution and are committed to true economic reforms.

One of the thorniest problems for the West regarding Yugoslavia remains Kosovo. In the summer of 1990 Milošević stripped Kosovo of its last vestige of autonomy by abolishing the province's parliament. Since then the region has been under virtual military occupation. The situation in the province has become intolerable, which unfortunately will only serve to heighten ethnic Albanian nationalism in the region. Kosovo's ethnic Albanian political parties have forged links with politicians and other officials outside Serbia, and they continue to insist on an autonomous Kosovo republic within Yugoslavia. Obviously any solution to the crisis will need to involve goodwill and a readiness to negotiate on the part of ethnic Albanians and the Serbian government, which maintains firm but uneasy control over the province.

Given the degree to which Milošević has inflamed the problem and made Kosovo the defining political issue of any Serb, this will be a difficult task. Here the West will be able to offer assistance. One of the reasons for Kosovo's troubled past was the combination of autarky, underdevelopment and a politicized economic system where rewards were made on the basis of nationality. Where a true market economy open to the rest of Europe existed, Kosovo would have the advantage of a relatively well-educated work force with relatively low labor costs. The solution to Kosovo's situation may indeed be development, as Tito saw, but development as part of a broader Europe, rather than along autarkic lines.

The future of Yugoslavia is by no means certain. But it is also by no means doomed to violence and anarchy. There exist strong internal and external motivations for a peaceful and democratic resolution of the current Yugoslav crisis. The United States and western Europe can best achieve their goals of a stable and democratic Europe by encouraging those processes.

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James E. Akins

THE NEW ARABIA

The Iraqi invasion of Kuwait was an immediate disaster for Kuwait and the Palestinians and an ultimate calamity for Iraq. Nonetheless, many Americans, including President Bush, thought good would come from this evil.

There would be a "new world order" in which aggression would not be tolerated. Furthermore, the entire Middle East would be transformed. The disparity between rich and poor Arabs was clearly an unstable configuration and would be changed. After the final victory, the rich would move smartly to improve the lot of the poorer 90 percent of the Arab world. Future investments of the oil-rich Arab states would be in North Africa, Syria, Jordan and Yemen, not in Europe, Japan and America. Some American academics proposed that rich Arabs could put a substantial portion of their oil income into a special account for development of the entire Muslim world. Secretary of State James A. Baker thought the rich Arabs should form a new bank to finance projects in the poorer countries.

It all seemed reasonable and just. Unfortunately, to one who has spent most of his professional life dealing with the Arab world, it is all only a utopian fantasy. Secretary Baker, for instance, might well have discussed his bank idea with the Arab leaders before he announced it. While Egypt and Syria were enthusiastic, those countries with the financial resources were not. The idea of an Arab bank died before it was born; so did the dreams of a new Arabia—or a new Islam—with its wealth more equitably shared.

I can agree with confidence—not necessarily satisfaction—that the future Middle East will indeed be different from what we have known, but it will bear no relationship to the idealized picture of generous gulf Arabs using their riches to transform the Arab world. Instead, the signs of the Middle East will continue to be marked by glaring disparities between the rich

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James E. Akins, a former U.S. Foreign Service Officer and Ambassador to Saudi Arabia, is a consultant on international political and economic affairs.

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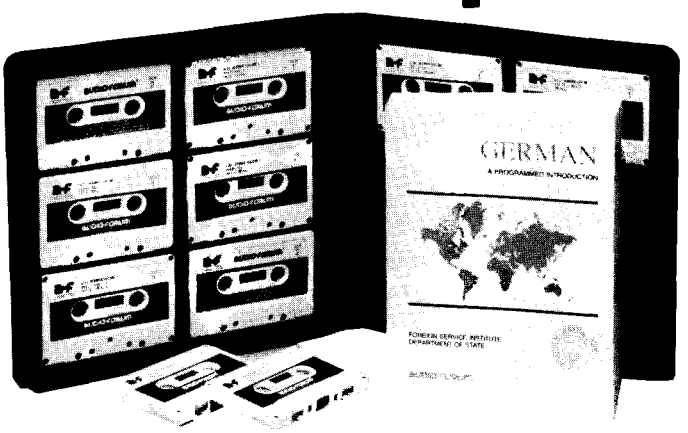

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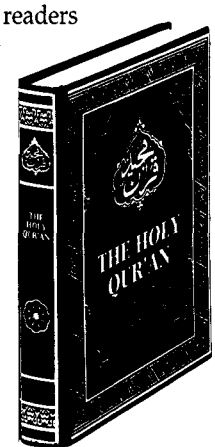

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few and poor many, and among diverse national and ideological forces in competition for the soul of Arabism.

II

Every gulf Arab knows or remembers the grim poverty of decades past. All remember the contempt in which they were held by Syrians, Egyptians, Jordanians and Lebanese. No gulf Arab feels any moral obligation to those states now that their relative positions are reversed. While there is some gratitude for the stance taken by the Egyptian and the Syrian leaders during the Gulf War, there are strong feelings of betrayal by the incipient democracies—Jordan, Yemen, Algeria—and by the Palestine Liberation Organization (PLO).

The bitterness against the Palestinians in the gulf countries—especially in Kuwait—is intense. Some were expelled immediately after the Iraqi invasion. It was made clear to those remaining that as their contracts expired they would not automatically be extended. Only the most needed and trusted Palestinians would be allowed to stay in the gulf. There is little appreciation of the fact that most Palestinians who stayed in Kuwait during the occupation had no place to go and were forced to cooperate with the occupier. Many were active in the resistance. The common Kuwaiti line now is to condemn all Palestinians: "We took them in; we gave them good jobs; and now they stab us in the back. Never again will we do anything for them."

The attitude of rich gulf Arabs toward Jordan and Yemen is only slightly less hostile; it springs from the same admiration for their own past generosity and shock at the lack of present gratitude from the recipients.

The gulf Arabs bolstered their hostility toward the ungrateful poor Arabs by accepting uncritically one of the most bizarre tales to sweep the Middle East since Sheherazade: there was a grand plot by villains to divide the Arabian peninsula; Iraq was to keep Kuwait and northern Arabia; the PLO would take the oil fields of the Saudi eastern province; King Hussein of Jordan would establish himself as king of the Hejaz (the holy land of Islam containing Mecca and Medina); Yemen would regain the Asir province it lost to the Saudis in the 1930s and would occupy the Rub` al-Khali with its presumed large oil reserves.

"Evidence" of this fantasy was the news that "the day before the invasion" King Hussein decreed that henceforth he should

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be called sharif, as was his great-grandfather who ruled the Hejaz until driven out by the House of Saud in the 1920s. The fact is that Hussein has carried the title since birth and his early passports always included it. Further "proof" of the plot was the statement attributed to Yasir Arafat that "if the Americans invade Iraq, the Palestinians will burn all the oil fields of Arabia." There is no documentation of any such statement by the Palestinian leader; but this does not bother those who insist it is true and relevant. There is allegedly further "proof"; one official told me of 20 documents outlining the plot. None, however, was offered for examination. Whatever these "proofs" might be and whoever might have supplied them, they are believed by many, most notably some leaders and senior officials of the Gulf Cooperation Council (GCC).

Most Arabs outside the peninsula dismiss the "plot" as a deliberate fabrication by the rich Arabs or others who tried, most successfully, to divide the Arab world. They say that if there had been such a plot, Iraq, Yemen, Jordan and the Palestinians would have attacked Saudi Arabia on August 3, long before the Americans could have arrived. If they had done so, they would have had a good chance of accomplishing the alleged objectives. Yet there was no attack; there was no evidence of any preparation for attack. There was, in short, no plot.

III

The second of August 1990 will be as important in Arab history as the second of November 1917, the date of the proclamation of the Balfour Declaration providing for a Jewish homeland in Palestine. A large Arab country attacked, occupied and absorbed a smaller Arab country with which it had diplomatic relations. No Arab state endorsed the Iraqi invasion of Kuwait. All Arab governments and the PLO demanded Iraqi withdrawal. Jordan, Yemen, Libya, Algeria, the Sudan and the PLO insisted that the problem could and must be settled by the Arabs themselves.

Others, led by Saudi Arabia and Egypt, thought outside help was required, and Riyadh invited American troops to Saudi Arabia to defend the kingdom, to liberate Kuwait and ultimately to destroy the army and the economic infrastructure of Iraq. This presented a problem; the United States had good relations with the GCC, but it was still the main supporter of Israel as well. American outrage at the Iraqi invasion of

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Kuwait was widely contrasted with its tranquil acceptance of Israel's defiance of a series of U.N. Security Council resolutions on Jerusalem, the West Bank, the Golan Heights and Lebanon. But all this was dismissed in the panic that followed Secretary of Defense Dick Cheney's convincing report to the Saudis of an imminent Iraqi invasion of Saudi Arabia and the rest of the Arabian peninsula.

Nonetheless, the Saudi invitation to the United States was extraordinary. Countries that had long opposed "imperialism" and "Zionism" turned to the primary Western military power for protection against another Arab country. Jordan, Yemen and the PLO found this "solution" offensive and dangerous, and they condemned the subsequent American destruction of Iraq. Their principles have cost them dearly. Jordan's markets in Iraq disappeared in the early days of the crisis. All subsidies from the gulf Arabs to Jordan, Yemen and the PLO stopped; Saudi Arabia ceased delivery of oil to Jordan and stopped buying its agricultural produce. Altogether Jordan lost half of its gross domestic product.

The damage to Yemen has been almost as severe. Some 800,000 Yemenis who had been long-term residents of Saudi Arabia were dispossessed and expelled. They had been peaceful, even docile, residents of the kingdom; they had taken no action against their Saudi hosts; there were no demonstrations, no sabotage. Yet they were forced to leave their homes on short notice, sell their businesses for small fractions of their value and drive to the Yemeni border where their vehicles and remaining possessions were confiscated. Their expulsion was ordered presumably because the Saudis disapproved of the position held by the government in Yemen—that Iraq could be persuaded or forced to leave Kuwait without war—and possibly because the Saudis believed that the Yemeni government was part of the infamous "plot."

The secretary general of the GCC has said that the gulf Arabs would "never forgive and never forget the betrayal" by the poor Arabs. It will also be a long time before the wounds inflicted on Jordanians, Yemenis and Palestinians are healed. The Koranic injunctions to forgive and show compassion have been temporarily suspended by all. Those who opposed the invitation to the Americans accused the GCC and its allies of treason to Arabism and to Islam, but in the GCC itself there was little opposition. In short, the invasion of Kuwait and the Arab reaction to it marked the end of the period when Arabs

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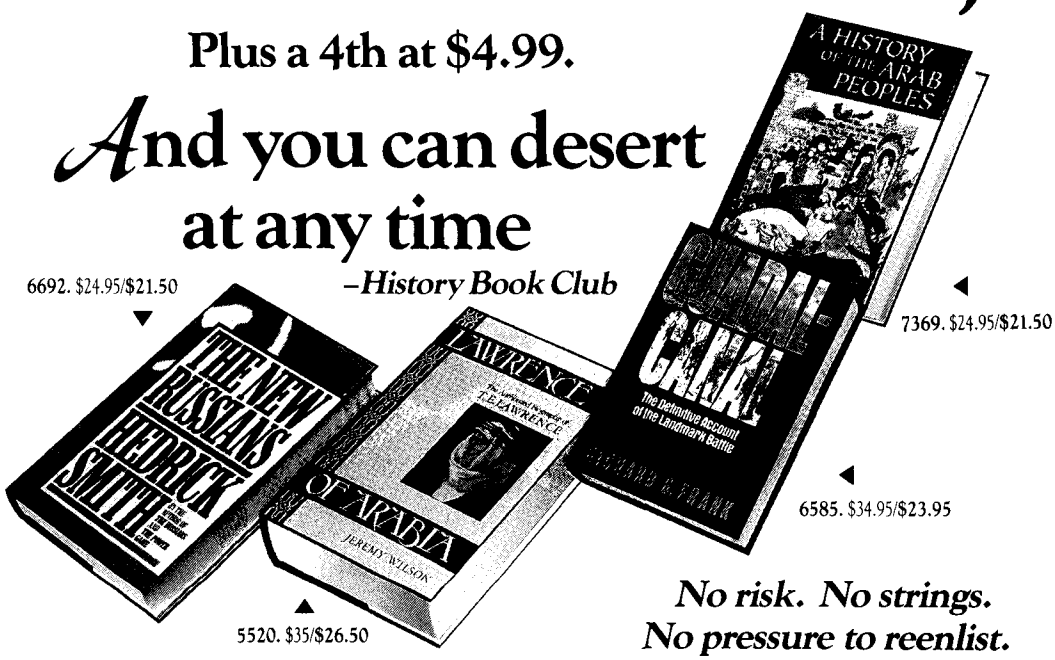

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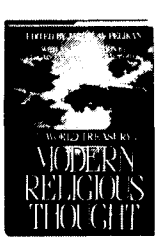

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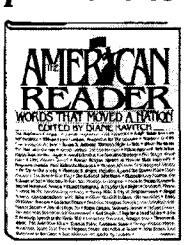

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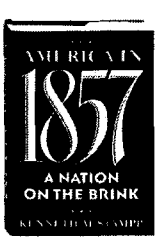

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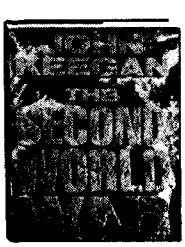

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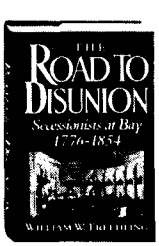

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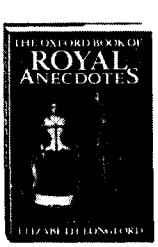

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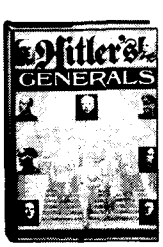

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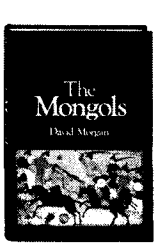

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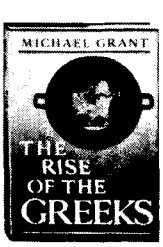

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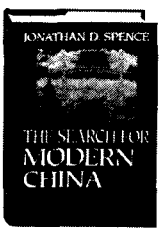

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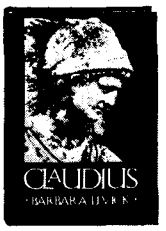

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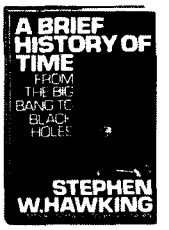

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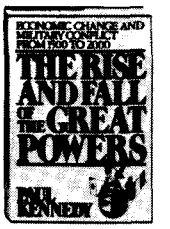

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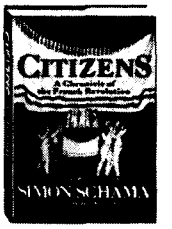

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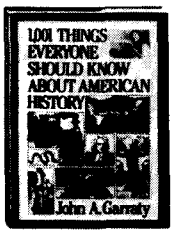

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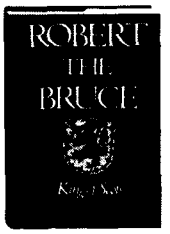

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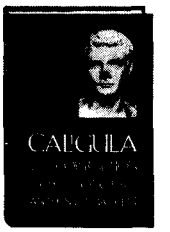

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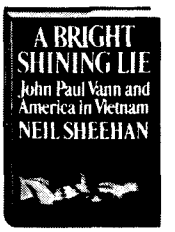

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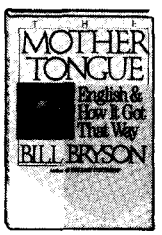

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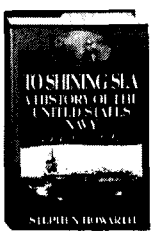

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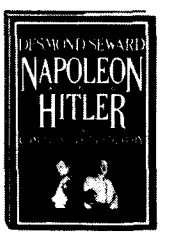

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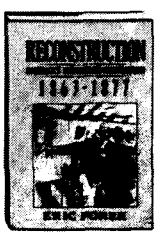

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maintained the pretense that they were part of one great nation.

IV

The change was long in coming. It started even before Egyptian President Anwar Sadat's "betrayal" of the Palestinians in order to get a bilateral agreement with Israel and to secure Israeli evacuation of the Sinai Peninsula beginning in 1979.

With the "Arab awakening" in the period between the two great wars, educated young Arabs deplored the artificial boundaries in their new world. Only one border, that between Saudi Arabia and Yemen, had been drawn by Arabs. All others were products of imperial ambition: Turk, French and British. Yet all have assumed an astounding sanctity. The immediate explanation was the one used by Italian and German nationalists in the middle of the nineteenth century: the kings were attached to their thrones and their privileges; they dismissed the wishes of their peoples.

There were several "natural" Arab groupings. A Greater Syria including all the countries of the Fertile Crescent had many adherents in the period immediately after the Second World War; it seemed reasonable and some, most notably Syrian President Hafez al-Assad, still advocate it. The unity of the Nile Valley has been pressed by Egypt for more than a century, but the Sudan is not even united itself. A united Arabian peninsula had much to offer; so did a united Maghreb: Libya, Tunisia, Algeria, Morocco and Mauritania. None was achieved. They were opposed by the various heads of state and local politicians. They were also opposed by Arab nationalists who thought such regional conglomerations were deliberate attempts to postpone the greater good of a complete Arab union.

Many Arabs aspired to lead the Arab nation but only one, Gamal Abd al-Nasser of Egypt, captured the imagination of Arabs from Morocco to Oman with his vision of a united Arab nation restored to its early glories. His admirers thought he was the new Bismarck, but Nasser lacked the subtlety, the cleverness and the power of the Prussian leader. Egypt was not Prussia; it did not have the finances to buy leaders of rival states or the military strength to force its will on those who would not be bought. Muammar al-Qaddafi of Libya aspired to fill the role of Arab leader after Nasser's death. He failed.

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He had money but he lacked everything else. His followers were limited to those whom he paid and their loyalty did not outlast their subsidies.

At least until the mid-1970s young Arabs were usually "nationalist," but as they matured they almost always became "realist." They might cherish the concept of an eventual unity, but they abandoned the dream of seeing it in their lifetimes. The Palestinians were an exception. They retained a pure nationalism. They had been deprived of their homes, and their only hope of regaining their homelands rested with the Arab states. All Arabs agreed that the creation of Israel and the displacement of Palestinians by European Jews was unjust. Many Arabs had sympathy for the Jews but thought that those who had persecuted them should cede land for the Jewish state, not Arabs whose record of tolerance toward minorities was better than that of the most enlightened European state. All Arab states supported the Palestinians; all voted properly in U.N. deliberations on Palestine; some gave Palestinian leaders and institutions financial support. The rich states of the Arabian peninsula employed Palestinians and gave them new homes. Kuwait allowed the PLO to collect taxes from Palestinians employed there.

The Arab-Israeli wars before 1973 were fought largely because of the Palestinian problem. The 1973 Yom Kippur War was different. Egypt and Syria fought to regain territory seized by Israel in 1967. The peace treaty ultimately signed by Egypt and Israel provided for the return of the Sinai to Egypt. Sadat called the agreement the first step toward a more comprehensive treaty assuring the rights of the Palestinians; so did President Jimmy Carter. Israeli Prime Minister Menachem Begin made it clear that as far as he was concerned the treaty was only with Egypt; it held neither promise nor implication of more. The Camp David agreement marked a victory for Israel. It isolated Egypt, the largest Arab country, and forced Israel to relinquish only the Sinai, which Zionists had never considered part of Eretz Israel. Israel could now devote greater attention to the absorption of Judea and Samaria.

On the basis of all available evidence most other Arabs reached the same conclusions as Begin, for they did not share the optimism of Sadat or Carter. They assumed that the Israeli leader had hoodwinked the Egyptian and the American, and President Carter himself now wonders if he was deceived. The

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Arab states broke relations with Egypt, but they would do nothing for the Palestinians.

With Egypt isolated and neutralized, Begin was free to move into Lebanon and destroy the Palestinian forces there. Without even the pretense of a provocation from the PLO or the Lebanese, Israel invaded in 1982. It occupied all of southern Lebanon, destroyed much of Beirut and killed at least 15,000 Palestinians and Lebanese. The international community condemned Israel but did nothing more. In Tel Aviv there was a massive demonstration against the invasion. There was none in any Arab capital; most Arab leaders feared that anti-Israel demonstrations might be turned against themselves. In fact, there was little popular indignation in any Arab country. Arab television screens at the time were dominated by the World Cup soccer matches, not by scenes of carnage in Beirut.

No Arab forgets the humiliation of the loss of most of Palestine in 1948 and the rest in 1967. Arab honor was at stake and Arabs know they will have no peace as long as Palestinians are clamoring for justice. President Bush also understands this and in November 1990 gave solemn assurances to President Assad of Syria, President Mubarak of Egypt and King Fahd of Saudi Arabia that as soon as the Iraqi aggression in Kuwait was reversed he would devote his full attention to solving the Arab-Israeli conflict. The Arabs are holding him to his promise and he seems to be trying to fulfill it. Whether the administration's attention span will be long enough to accomplish anything is not yet clear.

None of this should imply that there is much love or affection for the Palestinians. By 1982 most gulf Arabs were bored by the Palestinians. They worked too hard; they were too intelligent, too educated, too aggressive, too ambitious, too intent on talking about the injustices committed against them. It was sometimes said they had become the "Jews" of the Arab world; their Arab "brothers" reacted against them with some of the same discomfort that polite Christian antisemites show toward Jews. It would delight most Arab leaders—and many others—if both Israel and the Palestinians would simply disappear. But Aladdin's lamp is long lost and no one can remember when a genie last appeared to grant unseemly wishes. All sides will be stuck with a difficult peace process.

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v

By the end of the 1970s another "new Nasser" had appeared, Saddam Hussein of Iraq. His credentials were more solid than Qaddafi's and his country was more substantial. But Saddam was a brutal dictator; he oppressed his own people and took them into a catastrophic war with Iran, draining the resources of two large Muslim countries for eight years. He was not a satisfactory model for young Arab nationalists. Nor was he noted for his commitment to "justice for the Palestinians." His position was "reasonable." Iraq was not a confrontation state, he often said, and it would support any agreement the Palestinians worked out with Israel. There was a time when Saddam even encouraged Arafat to recognize Israel and start talks with the United States.

Saddam knew Kuwaitis were disliked by their partners in the GCC; he knew Saudi Arabia and Iran were as irritated as Iraq was by Kuwait's refusal to honor agreements reached in the Organization of Petroleum Exporting Countries (OPEC), and he assumed the Americans were indifferent to his "border problem" with Kuwait. He invaded the sheikhdom on August 2, anticipating only pro forma condemnation. He quickly realized that he had miscalculated and began his search for an escape. On August 12, he offered to withdraw from Kuwait if Israel would withdraw from the Arab lands it had occupied since 1967 and if Syria would withdraw from Lebanon.

The proposal was clearly unacceptable; it was an opening gambit in the negotiations Saddam thought would be held. Again he miscalculated. There were no negotiations; the United States prepared itself almost from the start of the crisis for a war with Iraq. In the hectic days before the January 15, 1991, deadline for Iraqi withdrawal from Kuwait, Soviet President Mikhail Gorbachev, trying to avoid war, persuaded Saddam to drop any "linkage" of his departure from Kuwait with Israel's relinquishing of Arab lands.

Saddam became a hero to many Palestinians in the territories occupied by Israel; they had found a leader who would defy the United States and would demand that Palestinian rights be recognized. His early lack of concern for Palestinians was not widely known, and his abandonment of their cause was ignored.

The Palestinian bitterness against the gulf Arabs is at least as strong as the feelings directed against them. Their view is: "We

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made these countries; they could not or would not work; we were their carpenters, electricians, accountants, bankers and financial managers; they could not have existed without us. And they treated us like slaves; we had no rights; we could not become citizens; we could not own property; we could not open a business without a local 'partner' who contributed nothing but his name and then took half the profits. Now they throw us to the dogs." Palestinians note with grim satisfaction the current inability of the Kuwaiti government to restore basic services to the sheikhdom after having expelled, killed or imprisoned the Palestinians who made the country work.

The Jordanians admit that some of their hospitals were built by the sheikhdoms, and many mosques were built by Saudi Arabia. They concede that there were also significant investments by the rich Arabs in the infrastructures of Jordan and other countries. Still, these grants and investments were dwarfed by the enormous sums the princes and the sheikhs spent on palaces and useless arms and by the investments they made outside the Arab world. Recipients of largess, as Americans learned years ago, are never properly grateful.

VI

Americans and Arabs who were concerned about gulf security feared that the defeat of Iraq and the "killing" of its army would leave Iran as the region's strongest country, a prospect pleasing to no government. The Iraqi infrastructure was destroyed, but the United States left Saddam's Republican Guard largely intact. It was certainly strong enough to crush the Kurdish and Shiite rebellion. This postwar internal Iraqi crisis posed a dilemma for Washington. It might not have wanted the rebellion to be crushed but certainly did not want it to enjoy a victory that would have left Iran as the ultimate winner.

Saudi Arabia has quite a different view. It is pleased that Iraq will not be a threat in the near future. And Riyadh is determined that Saudi Arabia, not Iran, will dominate the gulf in the postwar era. If the Saudis do not unify the GCC under their flag, they will be its unquestioned dominant power; never again will the smaller states defy Saudi Arabia on border issues or on oil quotas in OPEC.

Furthermore, Saudi Arabia will be the Arab Sparta, the Arab Israel. It will train and arm its own army; it will buy the world's most sophisticated weaponry; it will keep the Amer-

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icans on hand to give support when needed. The kingdom may take a step or two toward representative government, but the Saudi people will be kept satisfied by growing prosperity. Any opposition to the American presence from religious fundamentalists and the few who still entertain broader Arab nationalist views can be bought off. Everyone has his price.

The problem of foreign workers in Arabia seems to have been solved already; the Palestinians, Yemenis and Jordanians will rapidly be phased out. They will be replaced primarily by Asians, preferably non-Muslim. Of course, some Egyptian and Syrian workers will be hired, but not many and not for long. Saudis remember the Egyptian occupation of the last century. And who knows what the Egyptians might do after Mubarak or the Syrians after Assad. In the meantime, Syria and Egypt will be placated with large subsidies. These will not be sufficient to raise their living standards to that of the gulf Arabs, but not even Mubarak or Assad could expect that.

There will be no GCC funds for those who did not support the war against Iraq. If eventually the transgressors make proper obeisance, some help for them might be considered. But the incomes of the rich Arabs are not infinite, and there will be no attempt to solve all Arab or Muslim problems outside the GCC. The poorer non-gulf Arabs who receive no subsidies will charge the Saudis and their cohorts with being American stooges. Arabs are never comfortable with this accusation, but the gulf Arabs will shrug it off, as they do today.

The Americans will be presented—as they are today—as "friends," "invited guests" or "protectors." Or, more honestly, as mercenaries. And why not? The Saudis are accustomed to buying what they need. Americans might have problems, not wanting to be the new Hessians, but it should not be beyond the wit of the image-makers to convince Americans that they are defending their own interests. And in the process they will be well paid.

If one is to envisage a unified Arabian peninsula state, it would logically include Yemen. It would have a population of some 25 million, comparable to the larger Arab states. But the composition of such a population would be unacceptable to the Saudis. There are almost twice as many Yemenis as there are Saudis and a Yemen in the new Arabia might quickly dominate it. In the past, Saudi Arabia has kept its large southern

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neighbor quiet, or at least not dangerous, by judicious payments to tribal sheikhs who then fought their central government. This strategy probably would not work in the new order of things. As Yemen develops its own oil it will become stronger, and the brutality of the expulsion of the Yemenis from Saudi Arabia will be remembered for at least as long as Kuwait remembers its occupation by Iraq.

VII

How long can the glaring disparity in wealth last in the Middle East? How long can the gulf states remain isolated? A decade or two? Probably; possibly even longer; possibly indefinitely. Riches corrupt; great riches corrupt greatly if not absolutely. And for at least a generation, and probably two, there will be great riches in the Arabian peninsula.

A few of the gulf leaders might worry about their position in history. It might even occur to some that their names will be cursed by Muslims for centuries, for their greed and their squandering of an extraordinary God-given opportunity to bring His blessings to all of Islam. But what government has ever altered its actions because it listened to scholars' opinions of what future generations will think? As Saudi Arabia completes a program of unification of the Arabian peninsula (minus Yemen) or merely becomes the dominant partner in a revitalized GCC, the trend toward other regional unions will also accelerate.

The union of the Maghreb will almost certainly go forward. The union of the Nile Valley will be postponed until the Sudan is unified or partitioned; an old project to bring Libya (and its oil) into the Nile union will probably be revived; Egypt needs the money and it cannot count forever on Saudi largess. The union of the Fertile Crescent might be possible after the departure of Saddam; it could be Baathi, Muslim fundamentalist or even Arab nationalist. If there is to be a final settlement of the Arab-Israeli conflict an obvious outcome would include a confederation of Israel, the Palestinian state and Jordan. Such a confederation might ultimately join the larger Fertile Crescent.

All of these regional groupings could be stronger and more efficient than their individual components, but only the Fertile Crescent, once known as Greater Syria, would have a good chance of permanent prosperity. It has land, water (assuming there can be agreements with Turkey) and oil; its population is

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not yet too great for its resources. The unified GCC, which would mean Greater Saudi Arabia, would have oil and therefore money. It could be permanently wealthy if it were to follow the Kuwaiti pattern and invest its surplus wealth wisely. This would require a break in Saudi patterns and habits and probably is impossible. Arms purchases may be necessary, but they do not constitute "investments." The Israeli/Palestinian confederation with its high level of education and its access to foreign investment might also prosper, particularly if defense expenditures could be reduced substantially.

Unfortunately all of the regional conglomerations are burdened with high rates of population growth. Even the Fertile Crescent and the GCC are growing at rates close to three percent. But they at least have time to bring growth under control. Egypt without the Sudan for colonization and without Libya's money seems hopeless. Its population is 55 million and grows by one million every seven months; its productive land area is no larger than the Netherlands. The population problems of Algeria and Morocco are scarcely less severe. In the absence of self-discipline or draconian programs to limit population growth, the only "solution" for all of North Africa will be emigration. Unfortunately, the logical destination—Europe—is not inclined to accept more Africans than it already has.

Many Third World countries recognize their demographic problems and some are trying to face them. But in the Middle East a growing population is still considered by most religious leaders and many political leaders as a source of strength.

The concept of a Saudi-dominated superstate is farther advanced than that of other regional groupings, but even it is flawed. It will not be possible to give Egypt and Syria as much financial assistance as they think they deserve. And it will not be possible to suppress, subvert or co-opt all hostile groups in those two countries. When their inevitable nationalist or fundamentalist revolutions come, they will be bitterly anti-gulf Arab and anti-American. And by then the Americans may have tired of their role. They certainly will as soon as "radicals" start bombing American barracks. Ultimately, it seems doubtful that the "new Sparta" would have either sufficient force or the will to defend itself against a unified Arab world, supported by a strong Iran.

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VIII

The reaction might not come until the next century. For as long as the gulf states remain secure the United States can reap great rewards. Saudi Arabia and the United Arab Emirates together hold almost 40 percent of the world's oil reserves, and they dominate OPEC. Both owe a debt to the United States for having saved them from the fate of Kuwait. Furthermore, the United States now occupies both countries and it will be militarily indispensable to both for the foreseeable future. It seems unlikely that either could take action to push up the price of oil or to depress it without American concurrence. Iraq and Kuwait hold some 20 percent of the world's reserves, but neither exports oil today and neither will be a major exporter in the next few years. Their future production and exports will be contingent on American approval.

America's hand on the oil valves of Arabia may be light but the United States will surely take control. Washington has no real choice, having shown no intention of exerting enough self-discipline to free itself from dependence on oil. America will not cut its consumption; it will not even consider a modest increase in gasoline prices. So the United States is constrained to look to the Persian Gulf for its oil and perhaps solutions to its energy problems.

Fortunately, Saudi Arabia provides many of the answers. It needs more income and must soon raise the price of oil. A higher price will rescue the American domestic oil industry; it will also lead Americans to conserve energy and to develop alternative energy sources. Unfortunately, the United States cannot afford a higher price for its oil imports. But here is one of history's few opportunities to have it both ways. The American balance of payments problem could be handled by a special deal whereby the United States would either pay much less than the OPEC price or the Saudis could make off-setting payments to the United States. It would be difficult for the Saudis to refuse.

Many Americans will argue, as they did through the 1970s, that the United States must use its political and military influence to keep the price of oil low. President Bush probably does not agree now, but he could next year. If the economy is then not rebounding fast enough low oil prices would provide an obvious stimulus to growth. The Saudis would need only to

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raise production to capacity and the collapse of oil prices to $10 a barrel would be assured.

In 1985, during an official visit to Riyadh, then Vice President Bush asked the Saudis to "let the market set the price of oil." They were astounded; they know a truly "free market" would drive the price down to $4 a barrel and the American energy industry would be destroyed. They understood only imperfectly the Reagan commitment to the market but they knew Bush as an "oilman"; they knew he could not advocate suicide, and they concluded he could not be serious. He must have been speaking to some domestic constituency that they could not hope to understand; they ignored his request. A similar appeal today could not be ignored. It would, however, place a strain on the alliance as compliance would sharply reduce their own income. Still, the price could always be restored after the American economy recovered.

This sweet arrangement could, with luck, last a decade or two. Eventually the current Arab leaders or their successors will tire of the U.S. presence and ask America to leave. The United States will have to withdraw or face a hostile population. In either case America will once again have to deal with the reality of insecure energy supply and high oil prices. Washington might use to good advantage the comfortable period that is now opening up. If the United States recognizes the temporary nature of the respite it could start to practice self-discipline; it could develop alternative energies; it could conserve its resources, tighten its belt and bring its financial house into order. But that is a tale Sheherazade would never have told; her caliph would have found the fantasy too bizarre.

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William Linn Westermann

KURDISH INDEPENDENCE AND RUSSIAN EXPANSION

Editor's Note: Interest in the Kurdish question suddenly revived at the end of the Gulf War. We decided that our readers might benefit from reading excerpts of an article originally published in the July 1946 issue of Foreign Affairs *that has become a standard reference. The late Dr. Westermann, then Professor of History at Columbia University, wrote this piece amid concern in Washington over the links between the Kurdish rebellion and the Soviet Union; hence the outmoded title. That particular crisis over a Kurdish republic eventually disappeared, but Dr. Westermann's article contains some sage observations that have stood the test of time.*

A Kurdish independence movement was officially inaugurated at the San Francisco Conference in April 1945, in a letter addressed to the delegates in the name of the Kurdish League. . . . The demands for Kurdish autonomy may be exaggerated to the point that many readers of liberal intention will consider them ridiculous. Certain facts, nevertheless, remain. There *is* a Kurdish independence movement. It has three active propaganda centers, one located in Syrian Beirut, a second at Sauj Bulagh in western Iran. The third center is in the "communist" party of Iraq, which has published a program of reforms with the resounding title of "The Charter of the Kurdish People." Its 17 clauses include: collaboration of the Arabs of Iraq; "real" independence of the Kurds and Arabs (implying that Iraq is under British imperial control); freedom of political opinion and expression; distribution of lands in fee simple to the peasants; old age, sickness and unemployment security; freedom of worship for religious minorities, with special mention in this regard of the Turcomans, Yezidis, Arabs and Assyrian Christians; and encouragement of public instruction for both sexes, with native schools and teaching in the Kurdish language. All of this is admirable enough, if one can grant that Kurdish independence is feasible or that it is advisable from the point of view of world security. . . .

In January last the Kurdish Democratic Party published a statement throughout Iran, Iraq and eastern Turkey that an independent Kurd republic had been formed at Mahabad in

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Iran (noted on many maps as Sauj Bulagh), a town some 20 miles south of Lake Urmia. The claim was made that the attendance at this meeting represented the Kurds who are resident in Iran, Turkey, Iraq and Syria. More important are the persistent reports of attacks launched from Iran against Iraqi defense patrols across the border. It is said that the military leader of the movement is a Kurd, outlawed from Iraq, named Mullah Mustafa of the Barzani tribe, and it has been further reported that he is the acknowledged commander in chief of some 30,000 Kurdish troops. Allowing a 50 percent deduction for probable exaggeration, the movement would still be an important one. . . .

The reports coming in to the American press indicate that Kurdish tribes, with Iranian troops from the rebelling Iranian province of Azerbaijan, have been extending their control rapidly southwestward in a direction parallel to the western border of Iran. This follows the Zagros mountain heights, separating Iraq and Turkey from old Persia. Recently it was said that cavalry of Azerbaijan have taken towns and prisoners of leftist tendencies, around Zenjan, lying east of Iranian Azerbaijan—if one may still correctly call it Iranian. Russian troop movements are occurring . . . Always "rebellious Kurdish tribesmen" are involved in these matters.

Who are these Kurds? Why are they rebellious? What do they want? Obviously some of their leaders hope to found an independent Kurdish republic. What are the justifications of this demand? If they could establish it, is there good reason to believe that they could maintain it? We Americans are a generous people and particularly susceptible to the charm of the slogan of "self-determination of peoples." Before our sympathies become involved in behalf of the Kurds, it might be well that we know something about them.

II

One fact may be disposed of at the outset. The Kurds can present a better claim to "race purity," meaning ethnic unity, and to a continuity of their cultural pattern for a much longer period than can any people now living in Europe. The culture pattern is essentially of the nomad-herdsman type, of course; but the claim, in that particular pattern, is quite justified. Since about 2400 B.C., originally under the name of Guti, they are known to have lived in the central part of the area over which they are now scattered. This is a limited district, on both sides

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of the Zagros mountain range and stretching south and west from it through lower Anatolia into the mountainous districts of northern Iraq and present-day Syria. Because their nomad life gives these tribesmen a high degree of mobility, Kurdish "splinters" are found also in Afghanistan and Baluchistan. There are, indeed, Kurdish population groups even in Aleppo and Damascus.

The only element of Kurdish culture which has changed much in the 4,300 years of known Kurdish life is the language. The Kurds took the Iranian basis of their language from the Medes and Persians about the twelfth century B.C. They still resent any invasions of their lands and any other intrusion upon their independence just as sharply as they did when Xenophon, the Athenian, led his ten thousand Greeks northward out of Mesopotamia through the "Karduchian" villages in 400 B.C. In this respect, the only thing which has changed among the Kurds is the type of weapon used. Indeed, the only progress worth recording in Kurdish life is that where once the Kurds fought with bows and arrows, they now shoot guns. A predilection of the Kurds for shooting at moving objects, preferably at human beings, has not altered much since Xenophon's time. . . .

The social and political organization under which the Kurds have always lived is tribalism. Once, in the tenth century A.D., they established a fairly extensive Kurdish kingdom—but only for the lifetime of one chieftain. Although constantly under the nominal suzerainty of larger powers, from the time of the Persian Empire of antiquity to the end of the Turkish Empire in 1918, the Kurds have actually maintained a considerable degree of autonomy of a noncooperative and purely negative type. Particularly they have refused to accept two signs of subjection—taxation and conscription for the military purposes of their nominal rulers. Resistance to these demands, resulting in revolts, has been chronic with them.

During the years between the Treaty of Lausanne and 1942, two serious revolts of the Kurds had occurred in Turkey, three in Iran and three in Iraq. These revolts indicated a vital spirit of resistance to control on the part of the Kurds; but it is a mistake to interpret them as evidence of a conscious and active feeling of Kurdish unity and nationalism or even of an overwhelming desire for statehood. The rebellion of the Kurds of Turkey in 1937–38, though little known, was a large-scale affair, and was followed by bloody reprisals upon

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the Kurdish leaders in which several thousand are said to have been slain. A rigid censorship was exercised by the Turkish authorities over the fighting and over the stern treatment meted out to the Kurdish chieftains, but the seriousness of the revolt is disclosed by the measures subsequently adopted. The Kurdish provinces were divided into smaller districts; the Turkish forces used as guards were heavily increased; the Kurds received, officially, the nationalizing name of "Mountain Turks"; and many of them were moved down from their mountains and the summer pasturages they had used for several thousand years to be settled in the plains as sedentary farmers.

III

In no one of the parts of geographic "Kurdistan," which may be defined as including only the territory occupied by the Kurdish tribes of Turkey, Iraq and Iran, does the Kurdish element form more than a strong minority of the total population. During the negotiations conducted before the League of Nations in 1923–26 regarding the sovereignty over the Mosul district, and since that time, the Turks have refused to acknowledge the Kurds as a population element alien to themselves, preferring to regard them as an assimilated people. . . .

The Kurdish tribes of Iran, located chiefly in the provinces of Azerbaijan, Kurdistan and Kermanshahan, were conquered and disarmed by the former shah of Iran, Riza Khan, so far as this was possible. When, in 1941, the Russians came into the Persian highlands from the west via the Zagros passes, the Persian army in those areas collapsed. By the end of September of that year it had disintegrated and its peasant soldiers had walked back home. The Kurds thereupon helped themselves to the arms stored in large arsenals in the towns of Urmia, Sinneh and Mahabad. Thus equipped, they set about restoring the traditional position of freedom from supervision which they had lost in the previous two decades. But whether the unified Kurdish independence movement will be something to reckon with or whether it will suffer a sudden and total collapse depends upon whether it continues to receive Russian support. . . .

IV

There is little chance that any strong backing for an independent Kurdistan will be found in the United Nations. Such a state would have to be formed by taking large areas out of

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three sovereign states, Turkey, Iran and Iraq. It would absorb some of the chrome lands of Turkey. . . . It would include the British-controlled oil wells of the Mosul and Kirkuk districts in Iraq. If it should be established, it would offer no promise of internal stability or permanence. For the Kurds have never been a unified people. They have no national tradition, no background of unity and no experience of self-rule. But even though the idea of a unified Kurdish state is completely unfeasible, the Kurdish movement for *Khoiboun* is the most dangerous of all the troubles which now beset the Middle East—because of the support which it has from Soviet Russia. Even if a limited Kurdish region were to be set up as an independent unit in Iran alone, the situation would be bad. The Kurdish tribes of Turkey, numerically the largest group, could almost certainly become involved in the independence movement. In that case, the Turks would go to war to maintain the unity of the state which they have knit together with so much self-sacrifice and expenditure of blood.

No one denies that the Kurds are good fighters. Those who know them best call them "trigger-happy." The tribes of Iran are supplied with arms and ammunition of a quality and in quantity such as they have never known before. All of the Kurds have grievances against the states of which they are now subjects. Grievances, ammunition and a fighting people—this is the explosive combination with which the Soviet Union is playing the hoary tsarist game of expansion.

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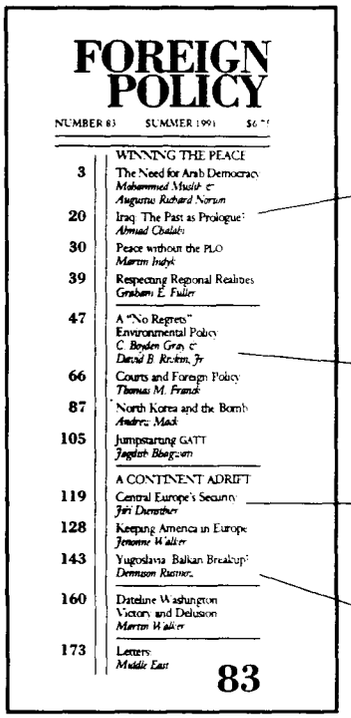

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Graham E. Fuller

MOSCOW AND THE GULF WAR

The war in the Persian Gulf posed a major and untimely crisis for Soviet foreign policy. The drama and pace of Operation Desert Storm tended to distract American attention from the spectacle of Moscow's own confused, shifting, contentious and contradictory approaches to Iraq's invasion of Kuwait and the American response. At several points in the crisis it was uncertain just how firmly Moscow's principles of "new thinking" in foreign policy would hold. In the end Moscow did indeed sustain its general commitment to all U.N. resolutions on Iraq, but only with a process that proved deeply unsettling within the Soviet Union. This process afforded the world an unprecedented window on the making of Soviet foreign policy in the Gorbachev era. It provided the best understanding yet of the extraordinarily complex factors currently competing for a voice in Moscow's foreign policy. While Soviet new thinking has been much seasoned since its inception, it is still evolving.

For Moscow the Gulf War involved far more than its policy toward Iraq. The crisis embraced a broad range of Soviet interests, in both the West and the Third World, and in military and civilian spheres. Coming as it did at a time of immense turmoil in Soviet politics, the crisis inevitably became the currency of a domestic power struggle as well. Above all, the Gulf War emerged as the single most formative crisis to date in the gradual reformulation of the principles and interests of Soviet foreign policy. While the liberation of eastern Europe and the unification of Germany may have been of greater geopolitical importance, those events occurred when Gorbachev was both more popular and more firmly in control and—almost before the country realized it—had become faits accomplis. Now, in the wake of the Gulf War, both the Soviets and their observers know more about how Soviet interests are

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likely to be conceived and formulated in the predictably turbulent years ahead.

II

The Gulf War compelled the Soviet Union to wrestle more publicly than ever before with questions of genuine Soviet national interests in the Third World. The blunt fact is that, ever since the collapse of its ideology, the Soviet Union has been in a state of confusion about what constitutes its national interests. Communism provided the U.S.S.R. with a global vision. It postulated a theoretical interest in every political conflict in the world that might historically advance international communism. It likewise postulated the need to check, wherever possible, Western and especially American interests. No country, however small or remote, was ignored as a potential strategic pawn in the great ideological struggle. Of course, Marxism-Leninism did not stipulate all facets of Moscow's policies—no ideology ever does. But it set the philosophical framework and basic principles of a world view fundamentally dedicated to global struggle.

Once glasnost and perestroika delivered the coup de grace to Marxism-Leninism as the guiding principle of foreign policy, the Soviet ship of state was left rudderless. How were national interests abroad to be charted after this global fixation dropped away? Moscow was forced to begin anew, starting in 1987 with the vague and idealistic formulations of "new thinking," a conceptual tabula rasa with no useful precedents to guide actual future policy. Indeed, the Soviet debate over the Gulf War was about what new thinking meant in practice. But it also permitted the various opponents of new thinking opportunities to develop an alternative vision of Soviet policies and interests. This debate was not truly resolved, only advanced. Nonetheless, former Foreign Minister Eduard Shevardnadze's early policies supporting the U.N. resolutions against Baghdad managed to survive despite the attacks against them.

Moscow hardly sought such a debate at this time; it was instead pushed into it by the crisis. Badly divided among themselves, policymakers and interest groups never moved beyond reacting to events largely outside their control. The scope and urgency of the Soviet debate were directly deter-

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mined by the very dimensions and challenge of the U.S. military effort, unprecedented in size since World War II.

The Kremlin halls have of course witnessed many foreign policy debates, but the outside world was scarcely privy to them in the past, except through the obscure tea leaves of Kremlinology. Moreover, the scope of the Kremlin's debate was previously highly circumscribed within a limited circle that shared a common commitment to party leadership and Marxist-Leninist philosophy. But the Gulf War offered a public debate, revealing sharply divergent interests. This diversity, too, makes analysis of the Soviet policy process far more complicated than the simpler command and control of a totalitarian system.

III

Any major policy issue becomes grist for domestic infighting. Apart from the inherent national interests at stake for the Soviet Union, the debate coincided with a period of great flux in domestic politics. Gorbachev, himself an architect of the original new thinking, has presided for the last two years over an ever shrinking power base. He has been left with only a few all-Union instruments—a dispirited and dying Communist Party, the military and the KGB—as allies and tools of policy, and is increasingly dependent on them for support. As a result, much of the senior military and the right-wing Soyuz (Union) bloc have emerged with greater prominence and clout, led by the redoubtable Colonel Viktor Alksnis. In addition to a general descent into disorder exacerbated by perestroika, Soyuz and like-minded party conservatives had already gagged on the loss of eastern Europe and the defection of East Germany to unify with Bonn inside NATO. Shevardnadze, from the outset the guiding spirit of new thinking in foreign policy, bore heavy responsibility for these fiascoes in the eyes of Soyuz and increasingly became the focus of right-wing attacks. Under severe buffeting throughout 1990—a period which saw the resignation or removal of a number of Gorbachev's other long-time liberal lieutenants—Shevardnadze felt abandoned and exposed by December, prompting him to tender his own dramatic resignation before the Supreme Soviet of the U.S.S.R.

While gulf policy was not the proximate cause of Shevardnadze's departure, it was likely a catalyst. After all, Shevardnadze led off the crisis with a reaffirmation of the principles of

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new thinking. He once again propounded a willingness to cooperate with Washington and the United Nations in support of newly found common interests, in stark counterpoise to traditional Soviet postures in the Third World. Shevardnadze's departure was one more important trophy for right-wing forces seeking to eliminate those responsible for the hemorrhage of traditional Soviet interests abroad and the loss of party power at home.

The right was not without tactical allies as well. Traditional orientalists such as Yevgeni Primakov, personal advisor to Gorbachev, and Alexander Dzasokhov, Politburo member and former ambassador to Syria, as well as other specialists with long-standing ties to the Arab world, also found Shevardnadze's policies threatening to their own positions and interests. Soviet Muslims were unhappy with the situation. Even many liberals grew uncomfortable with the destruction visited upon Iraq. For many it was not so much a matter of ideology, but of a deeply ingrained foreign policy orientation toward the Third World, now dramatically abandoned for uncertain benefits.

Apart from the substantive issues intrinsic to the gulf crisis, Gorbachev's increasing weakness compelled him to weave tactically to accommodate conflicting pressures. Perestroika basically committed him to seek common interests with the West. Gorbachev thus seemed unwilling to break with Washington or to defy U.N. resolutions. But, desperate for success in deteriorating domestic circumstances, he also hoped to attain dramatic diplomatic gains as mediator in the gulf. Under pressure from the right to dissociate the Soviet Union from distasteful American policies, and to enhance his flagging position internationally and at home, Gorbachev sought repeatedly to weaken the thrust of American war tactics and bring an early end to the fighting. He was even willing to risk compromising the settlement terms specified by the Security Council itself. Moreover the allied ground offensive against Iraq coincided with the second stage of the Baltic crisis in the Soviet Union. Gorbachev came under Western pressure to curtail the use of force against those independence-minded nationalist regimes. Torn by these conflicting interests, goals and needs, he ended up bereft of any coherent approach to the gulf crisis or of a single foreign policy voice. It may well be that the speed and decisiveness of the U.S. endgame on the battlefield spared Moscow from a more bruising and perhaps

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damaging internal split or from a clear break with the anti-Iraqi alliance abroad.

It was indeed fortuitous that Secretary of State James Baker happened to be traveling together with Shevardnadze in the U.S.S.R. when the news of the Iraqi invasion broke on August 2, 1990, catching Shevardnadze entirely by surprise. A joint statement the very next day sharply condemned Iraq and called for an immediate cutoff of military equipment to Baghdad. The speed of the joint reaction placed an early gloss of strong theoretical and operational cooperation on the two countries' policies. Shevardnadze's response was pure new thinking, emphasizing the important challenge that Baghdad's aggression represented to the "new world order." Gorbachev's own first major public statement on the invasion highlighted the international legal aspects of the crisis, describing the Iraqi invasion as "an act of perfidy and a blatant violation of international law and the U.N. charter."

Soviet condemnation of Iraq was stunning and unprecedented. Gorbachev even stated that the Soviet Union bore special responsibility for the invasion, since Iraq employed weapons provided over many years by the U.S.S.R. for defensive purposes. Not only was the Iraqi act excoriated, but the very nature of Saddam Hussein's regime—long a close Soviet ally by virtue of a 1972 Treaty of Friendship and Cooperation—was characterized in remarkably harsh language. "President Saddam's coming to power was accompanied by an unprecedented campaign to physically annihilate any dissidence, let alone any potential shouts of opposition. Thousands of Iraqi communists vanished into the dungeons of the security forces. The northern region of Iraq, Kurdistan, was drowned in a sea of blood when government troops enforced Baghdad's policy of assimilation of the Kurds."[1]

The joint Soviet-American statement and the early Security Council deliberations were to be the high point of Soviet-U.S. cooperation. Shevardnadze had quickly established basic Soviet policy before any other elements of the government had the opportunity to reconsider or react. (This was indeed one of the grievances of the conservatives.) The joint Soviet-American approach rested on a belief in principles and interests common to both sides. This belief tended to overlook the

[1]*Sovetskaia Rossiia*, quoted in John-Thor Dahlburg, "Soviets Hurl Harsh Words at an Ex-Ally," *The Los Angeles Times*, Aug. 5, 1990.

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inevitable complications for Moscow of operational cooperation with a vigorous, tough, proactive U.S. policy. Also implicit from the outset was a joint commitment to the United Nations as the diplomatic vehicle of allied action. Moscow made it clear that any Soviet military action would have to come within that context.

Doubts emerged quickly in Moscow as Washington swiftly implemented bilateral security arrangements with Saudi Arabia and a massive airlift of troops and weapons to the kingdom. From Moscow's perspective the United States was interpreting U.N. Security Council authority to fit its own purposes, carrying the operation in directions disquieting to Soviet policy goals. Numerous Soviet elements, already unhappy on various grounds with Shevardnadze's cooperation with Washington, began to signal some of the more important implications of U.S. actions and to rally their own forces in response. As the crisis evolved, initial frictions over tactical issues stirred up old suspicions about the strategic intentions of the two nations.

The presence of Soviet military advisers in Iraq immediately invoked Soviet military interests in the conflict. Confusion and conflict reigned over their number, mission and the date of their possible departure. The Foreign Ministry suggested concern for the exposed position of Soviet advisers, but disclaimed knowledge of their military role. U.S. sources, meanwhile, reported on August 12 that the Soviets had up to 1,000 military advisers who were indeed still assisting the Iraqi army.[2] Two days later the Defense Ministry denied Soviet advisers were helping either "the Iraqi President or the armed forces," but talked of their work on "repairs, education and construction."[3] Yet on August 21 the Defense Ministry acknowledged without apology that Soviet military experts were working side by side with Iraqis, training them in high-tech weaponry and "working at maintenance centers and at target ranges testing the arms sold to Iraq." They added, however, that the advisers were not involved in planning the invasion of Kuwait.[4] Soviet spokesmen later stated the advisers would be

[2]Douglas Jehl, "Soviet Advisers Reported Aiding Iraqi Military," *The Los Angeles Times*, Aug. 12, 1990.

[3]Carey Goldberg, "Moscow Denies Advisers Helping Iraq," *The Los Angeles Times*, Aug. 14, 1990.

[4]John-Thor Dahlburg, "Soviets Still Training Iraqis on Use of Arms, Kremlin Acknowledges," *The Los Angeles Times*, Aug. 21, 1990.

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coming home as soon as their contracts were fulfilled.

A distinct Ministry of Defense agenda was revealed in the conflict. Military aid to Iraq has been a lucrative source of hard currency for Moscow for over twenty years. The Stockholm International Peace Institute estimated that Iraq spent $25 billion on arms in 1988, of which 53 percent went to the Soviet Union.[5] *The New York Times* reported that the Soviet Union sold Iraq $23.5 billion worth of arms between 1982 and 1989.[6] A $6-billion Iraqi military debt to the U.S.S.R. might also never be collectible now. Was Moscow to jeopardize its long-term arms relationship with Iraq because of nonfulfillment of existing contracts and cooperation with Washington?

Soviet military sensitivities were revealed in conflicting accounts of the Soviets providing intelligence information on Iraq to the United States. A Western diplomatic source in Moscow suggested in August 1990 that the United States and the Soviet Union were "exchanging impressions" about the situation in Iraq; a Soviet Defense Ministry spokesman, however, denied any sharing of information about the Iraqi military.[7] The *Sunday Times* reported on August 19 that the U.S.S.R. had been providing a steady flow of intelligence to the United States on Iraqi weaponry, its characteristics and locations.[8] Clearly such reports were embarrassing to the Soviet military and threatened its long-term credibility as an ally to Middle Eastern states. Washington itself did not shrink from embarrassing the Soviet military and driving a wedge between Moscow and Baghdad, announcing in January that "valuable intelligence information" from the Soviet Union possibly helped limit allied casualties in the air war.[9]

The Soviet Union maintained the same ambivalence about joining the U.S.-led coalition against Iraq. On several occasions early in the conflict Shevardnadze stated the U.S.S.R. was considering sending troops or a naval force to the gulf. In the end it opted not to, on several grounds: concern about the safety of its citizens working in Iraq—a potentially explosive domestic issue; the implications for long-range Soviet ties with

[5]*Ibid.*

[6]Anthony Cordesman, quoted in Elaine Sciolino, "Soviet-Iraqi Tie: Marriage of Strained Convenience," *The New York Times*, Sept. 9, 1990

[7]*The Los Angeles Times*, op. cit., Aug. 14, 1990.

[8]*Radio Free Europe/Radio Liberty (RFE/RL) Daily Analyses*, Aug. 20, 1991.

[9]The Associated Press, "Soviets Provide U.S. Intelligence on Iraq Military," in *The Los Angeles Times*, Jan. 17, 1991.

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Iraq; memories of the Afghan imbroglio and a desire to avoid excessive identification with the growing ambition of U.S. war plans. The Soviet decision not to send troops came despite Washington's efforts, for the first time in forty years, to tempt the Soviets into an alliance and its offers to coordinate a major foreign aid program for Moscow.[10]

Still deeper suspicions between Moscow and Washington were raised by rumors of "advance knowledge" the Soviet military may have had of the Iraqi invasion, information that it reportedly withheld even from Shevardnadze—who was patently stunned by news of the attack. U.S. Defense Intelligence Agency sources reportedly leaked the belief that the Soviet military must have known of an event of such magnitude, and pointed to the mysterious visit to Iraq of a Soviet military hard-liner, Colonel-General Albert Makashov, two weeks before the invasion.[11] It is entirely possible that some elements of the Soviet military knew of standing Iraqi operational plans for an invasion of Kuwait, but the existence of such plans does not mean they will be executed. Similarly, such reports filtering up to political levels of the Soviet military establishment may have been given limited credibility—reckoning Saddam would be foolish to do such a thing. American policymakers were similarly taken aback by the event, despite warnings of the possibility.

The intentions of the Soviet military were further clouded by a mysterious incident in early January: the attempted surreptitious delivery to Iraq of military supplies in a hidden compartment of the Soviet ship *Dmitri Furmanov*, intercepted by U.S. and Spanish naval forces on its way to Jordan.[12] Soviet authorities then "diverted" the ship without further explanation. It seems unlikely that Gorbachev would have approved the shipment in violation of the U.N. embargo, but it is possible that certain Soviet military elements sought to fulfill their own agenda towards Iraq.

The Soviet military was also extremely uncomfortable with the actual combat phase of the crisis. After all, U.S. weaponry was not only pitted against a former Soviet military ally and

[10]Karen Tumulty, "U.S. Offers Soviets Economic Aid for Cooperation on Iraq," *The Los Angeles Times*, Sept. 6, 1990.

[11]Peter Schweitzer, "Is Moscow Playing Cute on Kuwait?," *The New York Times*, Aug. 22, 1990.

[12]Suzanne Crow, "Diversion of Soviet Ship Raises Questions," *RFE/RL Daily Analysis*, Jan. 17, 1991.

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long-term recipient of Soviet military training, but against Soviet weaponry—on the losing side. Much of the world, fairly or not, perceived the conflict as a proxy war between superpower weapons systems. Soviet Defense Minister Dmitri Yazov was explicit on the subject, recognizing that the war had prompted Soviet brass to review its air defense capabilities.[13] Many Soviet commentators pointed out there was nothing wrong with Soviet weapons per se, as much as the forces using them. Even in the best light, however, the Soviet military did not look good in the encounter.

The charges went further. One prominent Soviet general complained that the United States prolonged the conflict against Iraq in part to test its advanced weapons systems, thereby threatening strategic parity.[14] Others suggested that the Gulf War would allow the United States to inflate its military budget once again—a view heard from many in the United States as well. And when would U.S. troops ever leave the gulf once the war was over? Would a permanent U.S. military presence remain? General Vladimir Lobov, commander of the Warsaw Pact forces, observed that the presence of allied troops in Saudi Arabia now created a "single arc" of NATO forces from Europe through Turkey to the Middle East, which would sharply alter the strategic balance in the region.[15] Not all military commentary was negative, but negative reactions received the bulk of coverage.

The Soviet military also expressed legitimate security concerns about the character of conflict in a region close to the U.S.S.R. The potential use of weapons of mass destruction by Iraqis or Americans was a worry, which the United States sought to allay, especially after Vice President Quayle refused to rule out the use of tactical nuclear weapons by U.S. forces. Thoughtful Soviet observers could also not exclude the possibility that the war could well unleash dangerous regional effects: the collapse and possible breakup of Iraq, conflict between Turkey and Iran over the remnants, resurgent Kurdish nationalism, potential separatism in Iranian Azerbaijan

[13]*RFE/RL Daily Analyses*, March 1, 1991.

[14]Former Warsaw Pact Commander Viktor Kulikov, as reported by Reuters in *RFE/RL Daily Analyses*, Feb. 20, 1991.

[15]John-Thor Dahlburg, "Soviets See Power Shift in Gulf Area," *The Los Angeles Times*, Aug. 31, 1991.

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and Kurdistan and ignition of volatile separatist urges in the Muslim states of the Soviet Union itself.

It is clear that the Soviet military was institutionally more at odds with stated Soviet policy than any other group. Whatever its ideological preferences and alliances—which are mixed—it has clear institutional interests in the maintenance of military ties with as many states as possible, in encouraging military sales and offering military training, in the avoidance of military conflict itself and in the reputation of its own weaponry. The Gulf War challenged all these interests.

IV

The forces opposed to U.S. policies were hardly united or cohesive. On the contrary, they represented a broad range of opinion and reflected diverse concerns and agendas. The military had the most definable interests at stake. For others, the question of establishing an independent Soviet position was important. Indeed, for many it was not a question of whether to support Washington, but a question of degree. While many agreed with Soviet support for U.N. resolutions, they did not agree with the seeming license taken by the United States in their operational implementation. Several key dilemmas emerge for Soviet policy interests in this connection.

The greatest single concern uniting those forces in Moscow uncomfortable with U.S. military action—and even affecting many who generally favored U.S. policies—was the international position and great power status of the Soviet Union itself. The new world order was fine, but to what place did it relegate the Soviet Union? And what openings did it yield to the United States?

Anxiety over the character and shape of the post-Cold War international order actually emerged as rapidly in the Third World as it had in the Soviet Union. The collapse of communist ideology, the liberation of eastern Europe and the palpable descent of the Soviet Union into weakness and chaos took the world by surprise. Traditional verities about the character of the old international order were shattered. Radical Third World leaders, the Ortegas and the Mengistus, the Saddams, Qaddafis and Assads, long accustomed to the economic and military benefits of playing East against West, quickly recognized they would no longer loom as high on the international horizon.

Saddam Hussein was one of the first Third World leaders to

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address this issue directly. In the spring of 1991 he noted that the eclipse of the U.S.S.R. as a superpower would for at least a decade lead to a unipolar world, one in which the United States could work its will unhampered on the international scene. Syrian President Hafez al-Assad in March 1990 likewise saw the changes in eastern Europe as working against the interests of the Palestinians: "Let us now perceive that Israel was the first beneficiary, among all nations of the world, of the international changes that have taken place."[16] Interviews with leading Arab statesmen and intellectuals in this period reflected the view that "the end of the Cold War has upset basic Arab strategies" for dealing with the Arab-Israeli conflict. Some observers even viewed the decline of communism as comparable to the defeat of the Arab states in 1948 and the establishment of Israel.[17] Even moderate Third World states recognized a regrettable loss of leverage with the United States due to the disappearance of a powerful Soviet counterbalance.

As Operation Desert Storm began to vent its force against Iraq, the irrepressible Libyan leader Muammar al-Qaddafi declared the U.S.S.R. had "lost confidence in itself" and needed to regain its global role. He even expressed willingness to go to Red Square and personally deliver a pep talk to boost Russian morale.[18] Sensing Soviet ambivalence, Saddam called on Gorbachev in early September to "redeem his nation's status as a superpower" by joining "the permanent angels" of the Arab world in a sacred struggle against the "devils" of America and the West. The world's small nations, too, usually feel more comfortable with the subtle leverages of a multipolar world than with the harsh certainties of unipolarity, and no one could predict how far the U.S. unilateral instinct might go. That question worried Moscow in full measure, despite Washington's care not to stray irrevocably beyond the strictures of the U.N. mandate.

The Soviet Union of course had historically dedicated itself ideologically to "the defense of Third World interests" (never mind that few states wished to become direct beneficiaries of that mission). But what was the Soviet mission now? Was not Saddam Hussein the epitome of an aspiring Third World,

[16]Alan Cowell, "Syrian Leader Assails Change in East Bloc as Boon to Israel," *The New York Times*, March 9, 1990.

[17]Youssef M. Ibrahim, "Arabs Fear Loss of East Bloc Aid as Cold War Ends," *The New York Times*, March 6, 1990.

[18]*RFE/RL Daily Analyses*, Jan. 22, 1991.

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anti-imperialist, anti-American power? Was this a figure the new Soviet Union could jettison with impunity? Clearly Shevardnadze and the new thinkers entertained no doubts that the dubious benefits of "solidarity" with the Third World were deeply damaging to true Soviet interests, interests that should now be identified with "universal values," the peaceful settlement of conflicts, the use of international fora for their resolution, and close ties to the West.

But the hoary old ideologues still existed: Yegor Ligachev, the former minister of agriculture, called for a return to "class interests" rather than universal human values as the guiding principle of Soviet foreign policy.[19] But it was not simply a question of ideology. The Soviet Union was broadly perceived as champion of the "Arab cause," as opposed to the pro-Israeli tilt of the United States. The Soviet Union had long-standing interests in the Arab world, most closely associated with Iraq and Syria, but also with Libya, South Yemen and Algeria. While few in the Soviet establishment could justify Saddam Hussein's seizure and rape of Kuwait, how lightly should historical ties with Baghdad be thrown away? What were the implications for the long-term Soviet position in the Arab world if Moscow were now seen as unreliable and casting its lot in with the West? Where was principle?

Even preeminent new thinkers such as Georgi Mirsky reflected uneasily on the potential loss of all former Soviet allies. Not that these former alliances were so meaningful but, in an uncertain world, one never knew when one might need them. After all, the "new world order" to which the Soviet Union was delivering itself was fundamentally a Western order in which the United States stood dominant. Could the U.S.S.R. effectively pursue its national interests and find a place as an ideological Johnny-come-lately in such a long-established system?[20]

V

The question of *differentiation* of interests lay at the heart of the dilemma. Could Soviet interests, overnight, simply become congruent with those of Western capitalist states? If Soviet interests differ at all, how do they differ? Was the Soviet Union

[19]*RFE/RL Daily Analyses*, March 7, 1991.

[20]Remarks by Georgi Mirsky, "The Future of the Arab-Israeli Conflict," at a conference sponsored by The California Institute on Global Conflict and Cooperation, Los Angeles, Aug. 27, 1990.

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betraying itself by failing to distinguish more sharply between American and Soviet interests in the confrontation with Iraq, or was there a need to distinguish anything? Was it simply force of habit to seek an "independent" Soviet position? Was such a position meaningful?

For many hard-line commentators it was unthinkable that Soviet policy should ally itself with American interests, giving the United States carte blanche to pursue its own goals in the gulf. Marshall Sergei Akhromeev indeed concluded that when the United States launched the ground offensive it had goals beyond the liberation of Kuwait.[21] The conservative newspaper *Sovetskaia Rossiia* viewed as illegal Moscow's very participation in U.N. Resolution 678 authorizing the use of force against Iraq, saying that the decision had in effect enabled the United States to take the leading role in the crisis.[22] The same newspaper also stated that Moscow's participation in the alliance "ended the U.S.S.R.'s existence as a superpower."[23]

More Soviets were probably susceptible to the argument that support for the U.N. resolutions had indeed enabled the United States to act with virtually unlimited unilateral power. Concern for unchecked American deployment of its power around the globe—filling the Soviet vacuum—is today a central issue of Soviet foreign policy, widely held among foreign policy observers and analysts, however liberal. This is precisely where the United States is the gainer of influence and the Soviet Union the loser—by any standard. Such concerns are even shared among Foreign Ministry new thinkers. While this view is rarely articulated in precisely these stark terms, it lies at the heart of Soviet fears for the future world order and was implicit even in the earliest expressions of Soviet new thinking.[24]

There was yet another, subtler case made by conservatives against Soviet support for U.N. Resolution 678: due process. Members of the Soyuz faction claimed that Shevardnadze's participation in U.N. resolutions could make the U.S.S.R. an automatic cobelligerent against Iraq, without the approval of the Supreme Soviet. The Soviet constitution, however, re-

[21] *RFE/RL Daily Analyses*, Feb. 28, 1991.
[22] *RFE/RL Daily Analyses*, Feb. 18–19, 1991.
[23] *RFE/RL Daily Analyses*, Feb. 13, 1991.
[24] This issue was implicit early on as one of the major justifications for the Soviet embrace of the UN and multilateralism at the outset of "new thinking." See Graham E. Fuller, "The Case for Optimism," in *The National Interest*, Summer 1988, p. 79.

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quires Supreme Soviet approval only for the dispatch of troops abroad, not for U.N. votes.[25]

The emergence of Central Asia as an independent factor in regional and Soviet politics introduced yet another element into the Soviet foreign policy equation. In contrast to the previously supine leaders of the ethnic republics, long subservient to Moscow's dictates on all foreign policy positions, the emerging leaderships in Central Asia and Azerbaijan—while still conservative—were distinctly nationalist in their own views on the gulf crisis. Most were deeply unsettled at the violence against Muslims on their doorstep, and nearly all called on Moscow to seek an early end to the conflict, preferably by political means. The spiritual leader of the Caucasus, Shaykh-ul-Islam Pashazade, called for an all-Islamic conference to meet in Baku on the gulf crisis.[26] The literary journal of Azerbaijan, without counterbalancing comment, ran an interview with the Iraqi Consul presenting the entire Iraqi case against the United States.[27] The most radical language came out of Daghestan in the Caucasus—historically driven by powerful Islamic sentiment—where about 5,000 demonstrators denounced the war and claimed they were ready to send supplies and volunteers to fight on Iraq's side.[28] As the crisis progressed, Moscow would have to show increasing sensitivity to these views, as well as those of neighboring Muslim states, particularly Islamic Iran, which is in a position to complicate or smooth the evolution of politics in the Soviet Muslim republics. Indeed, senior Soviet Foreign Ministry officials remained in close touch with Iran and Turkey, as well as Iraq, and even collaborated with Tehran on producing one of several Soviet peace plans during the ground war.[29]

VI

But Moscow's initial anti-Iraq position was not simply some sleight of hand by Shevardnadze, preempting broader consideration of Soviet interests in the crisis. A broad range of

[25]For more detailed discussion of this issue see Suzanne Crow, "Legislative Considerations and the Gulf Crisis," in *Radio Liberty Report*, Dec. 5, 1990.

[26]*RFE/RL Daily Analyses*, Feb. 4, 1991.

[27]"Olmek Ya Bir Kere, Ya Min Kere" ("To Die Once or a Thousand Times"), *Adabiyat Gazeti*, Baku, Jan. 25, 1991. This basically liberal publication carried very little other coverage on the war, and did not even expound Moscow's own rationale for supporting the U.N. resolutions against Iraq.

[28]*RFE/RL Daily Analyses*, Feb. 25, 1991.

[29]Robin Wright and Michael Parks, "Odd Couple Moscow and Tehran Drafted Peace Plan," *The Los Angeles Times*, Feb. 23, 1991.

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genuine Soviet interests was in fact at stake in adopting a common position with the United Nations and, indirectly, with the United States. Broad recognition by the Soviet Union of these factors will be of inestimable importance to the perpetuation of constructive Soviet policies in international crises in decades ahead.

First, no serious Soviet policy specialist believes that the old days of Soviet isolation and economic autarky are any longer in the country's best interests. If the Soviet Union is ever to prosper in a high-tech environment and globalized economy, it will have to deal as a full partner on the international scene. It was thus not in the Soviet interest to dissociate itself from a series of Security Council resolutions calling for the liberation of Kuwait that enjoyed broad international backing. The Security Council had both might and right on its side. To oppose such general formulations would have isolated the U.S.S.R. and cast doubt on its expressions of interest in broad international cooperation.

Second, cooperation with the West involved more than mere principle, but economic interests as well. Continued credits from the West rest on the ongoing perception that the U.S.S.R. is no longer fundamentally opposed to the Western political and economic order. Hence came President Bush's offer on September 6, before the U.S.-Soviet summit in Helsinki, to provide international aid in return for Soviet cooperation in the gulf.

Third, the Soviets are not only in a position to derive economic benefit from the West; the riches of Arabia are also a prize that glitters at the end of new policies in the Middle East. Past Soviet policy presupposed—fairly correctly—that Soviet ties would have to gravitate toward radical Arab states, eliminating the opportunity for truly lucrative ties with wealthy conservative states such as Saudi Arabia and the gulf sheikhdoms. The dynamic of the Iraqi invasion could change all that. Standing in condemnation of Saddam Hussein and voting with the Security Council, the Soviet Union was able to dramatize the character of its new international orientation. The payoff was not far behind.

In September, in a historic move, the Saudis reestablished diplomatic ties frozen with the Soviet Union since 1938 and declared their interest in seeing Soviet troops participate in the multinational force. New Soviet ties with the Saudis and full political and diplomatic support for all gulf states contained

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the seeds of great economic gain. Saudi businessmen welcomed the event, recognizing both the immense Soviet natural resources, which require investment for exploitation, and "the prominent position in the world as a major trade and investment partner." Plans were quickly underway for a Saudi-Soviet Economic Council and for close chamber of commerce exchanges. Riyadh saw the Soviet Union as "a major market for petrochemicals, consumer reexports, intermediate goods, wheat and barley, and foodstuffs."[30] Moscow, in turn, had great hopes for joint ventures, particularly in attracting gulf money for investment in the Muslim republics of Central Asia. (Saudi Arabia has long had a prominent community of businessmen of Central Asian origin, refugees from the Bolshevik Revolution.) Further payoff came in December when the Saudis and other Persian Gulf sheikhdoms granted the U.S.S.R. over $3 billion in loans.[31]

Saudi Arabia and the gulf states should also figure prominently in Moscow's own oil policies in the decades ahead, almost certainly moving Moscow towards closer involvement in OPEC affairs. Spurning OPEC on ideological grounds for decades as a classic capitalist cartel, Moscow clearly recognizes that its own declining oil production may require it to seek alternative sources of oil in the Middle East. In any case, as the world's biggest petroleum producer, the Soviet Union is already benefiting from a badly needed transfer of oil technology from the Saudis.[32]

Tactical thinking was hardly absent from Gorbachev's calculations either. Gorbachev had few international levers other than the Security Council by which to exert influence over the course of events—particularly over the burgeoning U.S. military moves. Refusal to work with the Security Council would have represented a throwback to old Soviet international policies, further isolated the U.S.S.R. and nullified any Soviet voice in U.S. policies. Through U.N. participation Gorbachev was able to maintain Bush's interest in retaining Soviet support and his acknowledgment of Soviet concerns.

Misgivings about U.S. policies and actions before and during the actual military campaign were balanced by strong support

[30]Mushtaq Parker, "Saudi Arabia: Let's Talk Money Instead," *The Middle East*, November 1990, p. 32.

[31]James LeMoyne, "Saudis Cultivate Ties to Kremlin in Hope of a Soviet Muslim Role," *The New York Times*, Dec. 5, 1990.

[32]*Ibid.*, p. 33.

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on the liberal side of the Soviet political spectrum. Strongly prodemocratic forces perceived Saddam as cast straight from the Stalin mold, the epitome of a rash, ruthless dictator leading his own country to destruction. The struggle against Saddam was a struggle against all dictatorship. Chief editor of the liberal *Literaturnaia gazeta*, Fyodor Burlatski, wrote in a lead editorial:

> Every war is an evil for the people. . . . But there is something more terrible in the world than war. That is dictatorship. It carries poison within itself, like poisonous glands of a snake. Is it possible to persuade a cobra not to attack people? Can you inculcate into a dictator a sense of humanity towards his own country and the outside? Yet avoidance of war at any price has been the calculation of many in Europe, America, and in our own country.[33]

More important, prodemocratic forces were well aware that those loudest in opposing U.S. efforts to roll back Saddam were their same ideological opponents on domestic issues. A decisive U.S. victory over Iraq was perceived as a major means of bolstering the liberal cause and preventing a major slide to the right in Soviet politics. Democratic forces carried signs reading "Mikhail Saddamovich Gorbachev." Embrace of U.S. war goals and support of the beleaguered policies of Shevardnadze had become part of the stuff of liberal politics itself.

Hostility against U.S. policies by senior Soviet military officers only encouraged the democrats to support those same American policies and even to identify with the very American weapons systems that were now savaging Soviet military equipment on the Iraqi front. For the democrats the confrontation of superpower weapons systems in Iraq took on the character of a proxy battle between democratic and communist values and ways of life. American weapons represented the technological superiority of free men operating in an open society and fighting in a professional volunteer army. These were all qualities sharply contrasted to the militaristic character of traditional Soviet life and its conscription army known for brutalities against its own populations. Russian liberals unquestionably read domestic politics into their support for the war. In fact, if the domestic struggle had not transcended their own foreign policy interests, they too would probably have

[33]"Zhestokii urok diktature," ("A Cruel Lesson for Dictatorship"), *Literaturnaia gazeta*, Jan. 13, 1991.

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joined many liberals elsewhere in expressing reservations about the destructiveness of the war and its consequences.

VII

New thinking in Soviet foreign policy survived the Gulf War—albeit battered. The Bush administration had a few anxious moments in which it looked like Gorbachev might attempt to thwart its major goals. The president and Secretary Baker remained remarkably attentive to, but firm in dealing with, Soviet concerns throughout the crisis, thereby avoiding a rupture that would have had serious long-term consequences.

Primakov, a long-time Arab specialist and adviser, was dispatched to the gulf not once but three times, initially sidelining even Shevardnadze. These missions demonstrated Gorbachev's willingness to try to salvage something for himself or Moscow through diplomacy. They also were particularly designed to place Soviet diplomacy rather than military conflict at the center of the crisis. If Gorbachev had brought about Iraqi withdrawal from Kuwait without war, or before the near-complete destruction of most of Iraq's military, Washington would indeed have been angered. Such a dramatic move would have thwarted a key, if unspoken, part of the Bush agenda: the destruction of Iraq's strategic power in the region for years to come. Yet Gorbachev seemed willing to run the risks of courting Washington's ire to achieve a diplomatic solution, if one were possible. Such a course would not necessarily have signaled a return to old thinking, but rather a strong priority on the Soviet Union's "special role" in the world and a desire to retain maximum support in the Arab world, even as the West was losing much of it. It might not necessarily have been ideology at work: sheer tactical domestic requirements might have won the day in the desperate environment of Muscovite politics.

The outcome might also not have been so felicitous if the adversary were not Saddam Hussein. He showed a consistent and extraordinary absence of good political judgment. Saddam's persistent obduracy thwarted every Soviet attempt, including the last visit of the Iraqi foreign minister to Moscow before the ground war began, to change his strategy and goals. Soviet efforts to serve as intermediary were consistently foiled by Saddam's unresponsiveness and political obtuseness. He failed to give Moscow any serious grounds for contemplating a break with Security Council resolutions, much less Washing-

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ton's policies. A more skilled leader in Baghdad might well have been able to play to Gorbachev's weaknesses and vulnerabilities and tempt him into distancing himself from the U.N. resolutions.

At least one conclusion is inescapable: political chaos in Moscow and its own unsettled vision of its interests and new world role will probably render it an unpredictable or unreliable partner in future international crises. That is not to say that Moscow will revert to the role of spoiler in the future, but simply that it cannot be relied on for some time to pursue a consistent course based on clear and recognizable principles. Moscow did ultimately pass the test of the Gulf War. And an important precedent was set for future Soviet cooperation. But the achievement was unnerving for all.

Moscow's differences with Washington cannot be credited solely to Soviet mischievousness or the shortsighted character of Moscow's tactical requirements. The Soviet Union was not the only state with misgivings about the course of American policies: whether sanctions should have been given more time and whether there was indeed an unseemly "rush to war"; the desirability of imposing a deadline for Iraqi withdrawal; the extent of the destruction to be inflicted on Iraq's economic infrastructure; and the extent to which a stunning military victory would ever be put to bold and imaginative use to attain a broader regional peace. These issues have been the subject of debate in many other countries, as well as in the United States. A range of Soviet concerns was thus quite legitimate.

Other Soviet concerns and interests, especially those of the military, seem far less valid and predicated primarily on the old order and suspicions about a return to ideological rivalry. If one now accepts new thinking as the genuine foundation of the Soviet national interest, then most of the military objections lose relevance. Every nation wants to sell arms, but only old thinkers could value Third World ties over those with the West.

In future crises both the United States and the Soviet Union should be better able to predict what the elements of friction are likely to be. This learning process is of particular importance to the Soviet Union as it seeks to create new foreign policy mechanisms and fora for a more orderly formulation of foreign policy goals. These changes will not come easily, simply because it will be a long time before the U.S.S.R.—or Russia, if the union breaks up—determines what are truly its

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interests. Even mature polities are susceptible to bruising debate about the national interest; the Soviet experience will be no less complex and controversial. The chances are good that remnants of old thinking will increasingly weaken in the Soviet Union over time, although they will likely remain a modest part of the political spectrum forever.

The determination of national interests is of course a notoriously difficult process; it is in many respects highly subjective, depending as much on the values and ideals of its formulators as on the concrete policy environment. But under any circumstances several factors are imperative for the Soviet Union to consider in formulating its perception of interests:

—Protection of Soviet borders from powerful neighbors that represent potential aggressors. Those potential aggressors most logically are China, Japan and Germany. Relations with those states are therefore of the highest importance.

—Maintenance of good ties with those states that are in a position to assist the Soviet Union in economic and technological terms; the United States, western Europe and Japan rate highest in this regard.

—Maintenance of good relations with Muslim border states that can affect the stability of the Soviet Union or any possible successor state, federation or commonwealth, in regard to the Muslim republics of Central Asia and the Caucasus.[34]

—The strong desire to maintain an "independent" foreign policy within the confines of the above priorities. Moscow will find it hard to abandon and forget its past role as a superpower and will therefore seek to involve itself, at least diplomatically, in the resolution of much international conflict.

This independent role will often prove irritating to Washington, as did Gorbachev's various interventions before and during the military offensive against Iraq. It will likely resemble France's historic quest for an "independent" foreign policy that often differed from Washington's policies tactically—thereby complicating them—but not strategically. Any new ideological tinge to Moscow's policies may focus on the Third World and on a search for greater equity among nations. The Soviet Union's own economic problems will also cause it to share common interests with many other developing states.

[34]For a detailed analysis of the relationship between the emerging states of Central Asia and the Muslim border states, and the resultant impact on Moscow, see Graham E. Fuller, "The Emergence of Central Asia," *Foreign Policy*, Spring 1990.

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The U.S.S.R. may yet seek to create diplomatic blocs among have-not states and associate itself with them as long as it does not threaten the health of its basic ties with the Western world. The pro-Third World policies of socialist Sweden are a distinctly possible model here—long on rhetoric and diplomacy, short on commitment or cost.

The U.S.S.R. will almost surely maintain a continuing interest in parrying the projection of American military power, especially where it is perceived to have seized advantage of Soviet weakness. Broad recourse to the instrumentality of the United Nations is the best means of blunting U.S. instincts towards unilateralism.

The Soviet Union has expressed its firm determination to be part of whatever new order emerges in the Middle East after the Gulf War. That indeed was probably one of the impulses that kept it at the table in the course of the war despite differences of approach. The U.S.S.R. has also shown a broad flexibility in approaching questions of postwar Arab-Israeli settlement and a strong interest in the creation of a comprehensive regional security organization in the gulf.

In some ways current Soviet policies—at least on paper—show greater imagination and sensitivity to regional feelings than do those of the United States. Precisely because of its weakened state, the Soviet Union has developed a new-found preference to work through international organizations and multilateral fora. This policy is more in keeping with a "new international order" than U.S. policies that are still influenced by a tradition of unilateralism. Despite President Bush's serious commitment to working through the United Nations during the Gulf War, instincts toward unilateralism will die harder in Washington because it still has options, whereas Moscow does not.

The U.S. media has often spoken of Moscow as one of the several "losers" in the Gulf War. Will Moscow perceive itself in the same fashion? From "lessons learned" will Moscow conclude that membership in the alliance only served to strengthen the U.S. hand in the Middle East and to weaken its own position and ability to influence events? If Moscow were to draw such conclusions it would augur poorly for the future world order, for it would suggest that the Soviet right-wing has been correct all along about how best to secure an international following. The wisdom of Gorbachev's support for Washington—despite some serious wavering—also needs to be

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demonstrated to Moscow in the benefits it draws from the practice of new thinking. Those benefits will be determined in part by future American policies. One can only hope, too, that Washington will use its mandate from the Gulf War victory purposefully and productively. It will need to demonstrate that the destruction of Iraq through maximal military force was in fact justified in creating the groundwork for a better, more stable Middle East.

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Graham Allison
Robert Blackwill

AMERICA'S STAKE IN THE SOVIET FUTURE

The day after Iraqi troops marched into Kuwait, Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze jointly condemned the action and announced a cutoff of arms to Iraq. In the weeks that followed the Soviet Union not only voted for each U.N. resolution condemning Iraq and demanding its withdrawal, but also played an important role in persuading others to go along. Had the Soviet ambassador to the United Nations voted no, thus denying the United Nations authority, would President Bush have gone forward? Try to imagine the U.S.-led international offensive against Saddam Hussein absent active Soviet cooperation.

Americans now take for granted the strategic consequences of Soviet "new thinking" and the changes it has produced in Soviet foreign policy. Glasnost, perestroika and democratization have unleashed previously unthinkable changes within the Soviet Union as well. Despite some serious setbacks, these rapidly unfolding reforms constitute a "Second Russian Revolution." When completed, its consequences for politics, economics, ownership and the character of the Soviet government may be no less profound than those of 1917. Voltaire observed that the Holy Roman Empire was neither holy nor Roman nor an empire. What we have known as the Union of Soviet Socialist Republics will increasingly be neither a union nor Soviet nor socialist.

Maintaining perspective when confronting revolutionary turbulence is difficult. The fixed point for our compass must be U.S. interests. The Soviet Union cannot be marginalized in international affairs but must continue to maintain a singular claim on American interests and attention. Western achievements in foreign policy in recent years are the result not only of Western strategy and strengths, but also of the Gorbachev

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government's specific conclusions and choices. Although the Baltic republics are a special case, America has no preeminent interest in the rapid disintegration of the Soviet Union. Higher priority interests are the security of the United States and its allies, peaceful change in Europe, the rights of individuals in the Soviet Union and the peaceful resolution there of issues of self-determination and borders. The violent disintegration of the Soviet Union would pose first-order threats to vital American interests. The U.S. stake in the Soviet Union's future merits a strategy of engagement as robust and refined as America's Cold War strategy.

II

Gorbachev's cooperation in the gulf crisis was essential to the U.S.-led multinational defeat of Iraq. But the Soviet leader's policies toward eastern and central Europe in 1989–90 will have the greatest geopolitical impact on American and global interests in the next decade and beyond. It is easy to regard as inevitable the astonishing changes in Soviet policy that occurred between the spring of 1989, when eastern Europe began to bubble, and July 1990, when Gorbachev and Helmut Kohl struck the final deal accepting a united Germany as a full member of NATO.

Some now suggest that Soviet acquiescence in the liberation of eastern Europe was beyond Gorbachev's capacity to resist. But Moscow certainly had the force available to crush those revolutionary stirrings, as it demonstrably had before. Such a classic and bloody Soviet response may well have been the predominant preference of the Soviet military, intelligence services and the Communist Party. Yet Gorbachev chose a peaceful course. Eastern Europe changed. Our world changed. His choices reflected various considerations including the desire to promote Western economic assistance and the Soviet Union's international reputation. But there was nothing inevitable about it. It was instead the direct result of a remarkable Soviet leader's particular and extraordinary change of national policy—a change that ran deeply against the grain of entrenched Soviet bureaucracies.

Gorbachev's acceptance of a unified Germany in NATO was in some ways even more surprising than his willingness to allow noncommunist regimes in eastern Europe or the formal dissolution of the Warsaw Pact. He could have refused. As Shevardnadze has stressed, important voices in Moscow were

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insisting on just such a confrontational course. Instead, Gorbachev accepted every important element of the West's position concerning Germany. It is difficult to think of another single decision by any foreign leader in the past three decades that has so improved international peace and security.

These are not the only examples of Gorbachev's significant alterations of Soviet national security policy. In the treaty on Conventional Forces in Europe, Moscow agreed to eliminate the Soviet Union's overwhelming conventional military superiority in Europe—the focus of NATO's fears for four decades. The CFE treaty, if Soviet compliance problems are resolved, will represent the most substantial arms reduction agreement ever reached. In Strategic Arms Reduction Talks, the Soviet Union and the United States are nearing the first agreement to reduce strategic arms in almost 20 years, one that will cut the Soviet arsenal in important categories by about 50 percent. The verification procedures for CFE and START require military openness to outside inspection previously unimaginable for a secretive Soviet society. In its regional policies outside the Middle East, the Soviet Union has withdrawn its military forces from Afghanistan, watched without interference as democratic elections ousted a communist government in Nicaragua, cooperated with Washington to bring independence to Namibia and worked closely with the United States to try to work out a ceasefire in Cambodia. Moreover, today Jews and others are permitted to emigrate from the Soviet Union in greater numbers than the United States and others in the West are willing to welcome.

In sum, the Gorbachev era of foreign and defense policies has been exceedingly good for the United States and the West, and not in a fleeting way. Future generations across Europe and especially in Germany will reap the benefits of Gorbachev's past decisions and actions. As America designs its policies for the coming phase of U.S.-Soviet relations, it should not be forgotten that these historic developments would not have occurred without the active support or acquiescence of Mikhail Gorbachev.

III

Gorbachev's announced aspiration is to transform the Soviet Union by evolutionary means—"not relying on the methods of the past." The objectives of his reform program are captured in three images. He wants the Soviet Union to be a "great

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power," a "normal society" and "integrated into the world community."

For Russians status as a great power is as much an element of national identity as it is for Americans. More remarkable therefore is Gorbachev's expression of the Soviet Union's aspiration to become a "normal society." A painfully revealing choice of words, this phrase has struck a responsive chord across Soviet society. By allowing the press relatively free rein, permitting Soviet citizens to travel abroad and encouraging contact with the flood of visitors to the Soviet Union, Gorbachev has given millions of Soviets some direct experience of life in the West. The number of Soviet visas issued for travel in the West has risen from several thousand to several hundreds of thousands in 1990.

Does Gorbachev have a strategy to realize his objectives for the Soviet Union? None is evident in the pattern of his actions. One of Gorbachev's closest, if not most objective, watchers, Boris Yeltsin, has observed that Gorbachev is a congenital compromiser, always choosing half steps rather than decisive strides. Repeatedly, Gorbachev chooses actions the predictable consequences of which he neither intends nor anticipates. But if one focuses on consequences, not stated intentions, subtle patterns emerge. More rapidly than any observer of the Soviet Union predicted, his program of reform has relaxed the fear that was the dominant chord of Soviet society, and has undermined the state's authoritarian institutions including the military, the apparatchik, and indeed, the Communist Party. Supporters and critics alike have noted his visceral aversion to violence. Democratic reformers condemn Gorbachev's use of force but privately acknowledge his restraint as evidence of residual values. Conservatives argue that hesitation to use force now will only necessitate violence on a much larger scale in the near future. And reactionaries take his reserve as decisive evidence of his unfitness to lead.

Gorbachev clearly admires Western achievements and expresses appreciation for Western values of "freedom" and "democracy." Nevertheless, as westerners romanticize this Russian leader, they should recall that Gorbachev grew up under communism, rose to power through the party's ranks and continues to pledge his allegiance to communism. His decision to stick with the party is explicable in terms of sheer calculations of power—weighing the 16 million members of an unpopular, declining but still powerful Communist Party

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against the disorganized democratic reformers. But in his continuing commitment to communism, one smells more than a whiff of Bolshevism.

IV

Every week brings surprising news of events in the Soviet Union heralded by headlines as major turning points. Exaggerated euphoria about the second coming of democracy and free markets has been overtaken by pronouncements of the death of perestroika. But beneath this surface turmoil it is possible to identify four systemic crises confronting the Soviet leadership: those of authority, union, the economy and political power.

The crisis of authority is evident in the parade of sovereignties, the war of laws and the vanishing arm of enforcement. Republics, autonomous regions, cities and even districts within cities proclaim themselves "sovereign and independent" and pass laws contradicting those of the levels of government above them. Since these laws are not enforced, this "warfare" has no operational effect. Elections select members to "soviets" roughly equivalent to U.S. city councils, and the elected proclaim "all power to the soviet." At Gorbachev's request the Supreme Soviet of the U.S.S.R. grants special presidential authority, pursuant to which he issues decrees: for Armenians to turn in their arms, for Georgians to rescind their order disbanding South Ossetia as an autonomous region. The decrees are disregarded and often nothing follows.

During the seventy years of Lenin's experiment in the Soviet Union, most of what is considered legal behavior in Western societies was declared illegal—from free speech to free association to the free exchange of goods. In Western societies whatever is not prohibited is permitted. The Bolsheviks turned this presumption on its head, making what was not permitted prohibited. The Supreme Soviet of the U.S.S.R. in 1988 set this presumption back on its feet. The effects have been dizzying. Supreme soviets at every level rushed to pass laws to cover broad areas previously blanketed by the general prohibition. Coinciding as it did with major constraints on enforcement, this new situation creates substantial ambiguity about the lines between the legal, the semi-legal and the illegal.

In all societies authority is a function of habit, fear of punishment for violation, and legitimacy. What is beyond dispute in the Soviet Union is the breakdown of habit or

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routine as an effective way of solving the simplest problems of daily life—from finding aspirin for a sick child to getting a critical component of an industrial production process. Illegality tends to breed illegality. Soviet citizens now find themselves victims of what Americans have come to think of as "normal" levels of real crime. Reported crimes in the Soviet Union in 1989 rose 32 percent over the previous year. The Soviet publication *Komsomolskaia pravda* sent reporters out with dollars in November 1990 to see what weapons they could purchase on Moscow's black market. The list included automatic rifles, rocket launchers and promise of a tank.

Such circumstances make more understandable the appeal of calls for a return to "law and order." This translates into a desire by most people for an improved, predictable supply of the necessities of life. Thus the response to Gorbachev's presidential decree assigning military personnel to accompany local police on patrols in 400 cities has engendered less opposition than expected. But the agendas of many of those who constitute the instruments of "law and order" go well beyond increases in lawfulness as it is understood in normal society.

Gorbachev and the current leadership inherited the crisis of union. Over the past five centuries their predecessors assembled the 11-time-zone expanse that is now the U.S.S.R. What held this union together was the unquestioned expectation of Moscow's iron fist. In a century marked by the rising tide of nationalism and transcendent claims of national independence, no one should be surprised by the consequences of Moscow's relaxed hand. Behind current complaints are decades, sometimes centuries, of injustices and disputes between the central government and the regions, between Russians and non-Russian ethnic groups. In opposing "Moscow" some provincials object to the unitary totalitarian state, others to the current Gorbachev government seated in that city, and still others to the Russian domination centered there that long preceded the Bolsheviks. Of the republics and autonomous regions demanding independence few are nationally or ethnically homogenous. Rather they are unmelted pots containing various minority groups, each with grievances against the majority and other local minorities.

Over 25 million Russians live outside the Russian republic, many of them (or their ancestors) originally sent there as part of the colonial apparatus. Resentment of Russian military

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commanders, police officers, party officials, factory directors and others is the norm. So too is the susceptibility of the Russian majority in the Russian republic to believing reports of harm or threat to Russians in other parts of the union.

The industrial economy of the union was designed to emphasize interdependence. Thus the costs of a breakup of the economic union would be larger for each member than in a normal colonial relationship. Moreover, driven by paranoia, the Soviet military has built extensive perimeter defenses around the current borders of the U.S.S.R., from the Baltic to the Pacific. Beyond military facilities, there is the vexing problem of how joint property could be divided among republics, most of which have significant border disputes with their neighbors.

Last fall Gorbachev and his key associates contemplated the likely disintegration of the Soviet Union. They concluded it was unacceptable. In his New Year's Day message to the Soviet Union, Gorbachev declared that the preservation of the union was "our sacred duty." He finds it difficult to conceive of the Soviet Union as a great power under circumstances of disintegration.

The Soviet Union's economic crisis is evident in the deteriorating conditions of life for Soviet citizens. The shops are barer and the lines longer than in the worst of what Soviets call the Brezhnev "era of stagnation." In a modern farce mimicking hunter-gatherer societies, families now spend five hours or more a day foraging for essentials at ever higher prices. After a decade of slowing growth, in 1990 Soviet GNP actually declined. Currently, economic output is collapsing, falling more than 10 percent in the first quarter of 1991, according to government estimates.

The underlying problem is that piecemeal reforms have relaxed the central control system without establishing the signals and discipline essential to a market economy. Moscow has yet to create the infrastructure of a market economy, including ownership, the freeing of prices and competition among enterprises. The center has instead stumbled from error to error with minimal understanding of what it is doing and little sense of the effects of its policies. A budget crunch—caused by republics withholding payments of taxes to the center—has forced the government to print rubles and expand credit. These measures can only produce hyperinflation that will provoke strikes and demands for compensating wage

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increases, already the case with Soviet miners and others. As the center yields, its deficit will expand. This sad tale has been played out many times in developing countries, where it leads to collapse—a balance of payments crisis, reduced foreign credits, shrunken international trade. The result is a dramatic fall in production that rapidly erodes living standards. In the textbook case, such economic disruption frequently produces a change of regime.

The attempt to escape from the current economic crisis runs headfirst into the fact that, in truth, there exists no known formula for moving from a command economy to a free market. As former Russian Finance Minister Grigory Yavlinsky has observed, moving from a market economy to a command economy is like turning an aquarium into a fish stew: all you have to do is boil it. The question is whether the process can be reversed.

The Soviet political crisis pits the democratic reformers—Gorbachev and those to his left—against the established institutions of authority—Gorbachev and those to his right—whose positions, power and perquisites are threatened. It is a revolutionary struggle about the shape and ownership of society and the character of government. The establishment's reluctance to relinquish its position should come as no surprise. If the leaders of the party, government apparatus, military, defense industries, collective farms, KGB and MVD needed a wake-up call, the object lesson of eastern Europe provided it. Where are their counterparts in eastern Europe today?

Neither the democratic reformers nor their counterrevolutionary opponents exist as effective groups. In the Soviet Union democratic reformers have often been more extreme and unrealistic in their aspirations as conservatives and reactionaries become more focused in their opposition. One is sometimes reminded of the comment of the Russian minister of justice, Ivan Shcheglovitov, in 1915: "The paralytics in the government are struggling feebly, indecisively, as if unwillingly, with the epileptics of the revolution."

On a second axis, the political crisis has pitted Gorbachev against the leaders of the republics. The political imperatives of each decree no comfortable accommodation. The most deadly duel has been that between Gorbachev and Yeltsin, leader of the Russian republic. Outsiders have long observed that objective conditions should lead the two men to cooperate: "They cannot survive without each other." Yeltsin's Feb-

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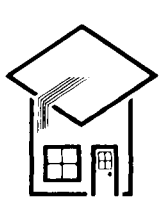

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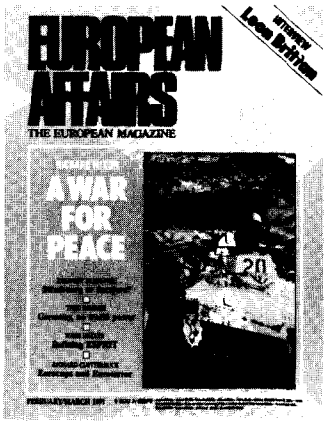

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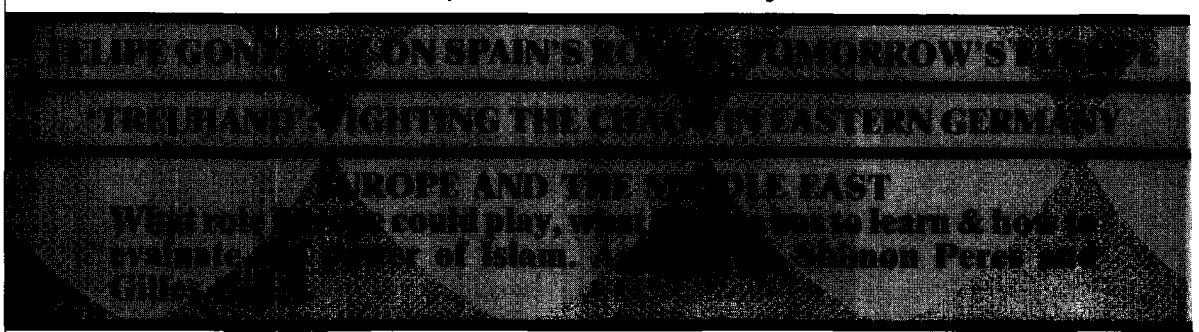

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ruary call for Gorbachev to resign was read as a declaration of war. Then on April 23 the two rivals and the leaders of eight other republics reached a potentially significant agreement for power sharing. Nonetheless, while Yeltsin remains more popular than Gorbachev and will translate this popularity into increased legitimacy by general election to the Russian presidency, Gorbachev remains more powerful than Yeltsin and could still move to undermine him.

Amidst these four systemic crises, the people persevere. But observers sense a growing disorientation in the general population, expressed well in a television documentary that Gorbachev urged all the members of the Supreme Soviet to watch carefully. Its title: "We Can't Go On Living Like This."

V

What these crises have in common are no easy answers. They cannot be speedily "resolved," but must rather be endured. Their interplay will shape the Soviet Union's future. But which future? No serious analyst can think clearly about the year or two ahead without reflecting simultaneously on at least four alternatives: Gorbachev's muddling, messy reform and repression; the democratic reformers' agenda; a counter-revolutionary crackdown; and disintegration into chaos or civil wars.

In each of these possible near-term futures there remain certain brute facts. The oft-repeated line that the Soviet Union is no longer a superpower but rather "a Third World nation with nuclear weapons" could not be farther from the truth. The Soviet Union is and will remain a great power. It may enter a period of convulsion for a time; there may be changes in its existing territorial expanse. But even Russia alone would remain a great European power. It possesses about twice the population of Germany or France and many multiples their land mass and military capability. The strategic portion of the 30,000 weapons in the Soviet nuclear arsenal can promptly destroy the United States as a functioning society. Soviet conventional forces—from three to four million soldiers and the largest weapons arsenal in the world—will still be capable of threatening Europe in the absence of an American guarantee. The Soviet Union will remain the world's largest producer of oil and many other essential minerals as well. These facts will persist across alternative Soviet futures. While these fu-

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tures could be described at great length, brief sketches convey the key features.

The zigs and zags in the Soviet Union over the past year can be extended to project a future image of Gorbachev's muddling, messy reform and repression—all in classic Gorbachev half steps. In this scenario perestroika entered a *peredyshka*, or breathing space, last fall from what by any historical standards must count as tumultuous, wrenching societal reform. The next few years would thus be a period of halting but slow steps to consolidate reform by retrenchment and intermittent repression.

Under the banner of "preserving the union" Lithuania proves a harbinger of the future, and is followed by other violent but contained uses of force against separatists in Georgia and elsewhere. Internal security police begin to reawaken the lively sense of the fear that heretofore dominated people's lives. The union persists, cobbled together, though in a sullen state. Glasnost is ratcheted back, especially for television. More lies, undoubtedly more sophisticated lies, are told to justify acts like Bloody Sunday in Vilnius, though publication of some critical commentary continues. Gorbachev strengthens his relationship first with the conservative majority in the Supreme Soviet of the U.S.S.R., but then accommodates the opposition who persist in expressing dissenting views. A compromise is reached in the Federation Council that permits the republics more autonomy, especially in pursuing local economic reforms. The instruments of law and order reassert some discipline and make some improvements in the supply of necessities. But macroeconomic management stumbles from crisis to crisis. The overall economy continues to deteriorate, as gray and black markets and initiatives by entrepreneurs continue bubbling up.

In foreign affairs Western gains of the last several years stand. But as the role of the military and conservatives grows, Soviet positions in arms control negotiations would continue to harden, for example, in the next phases of CFE and START. Gorbachev maintains lively ties to Western leaders and continues to value their views of him. But Shevardnadze's strong presumption favoring cooperation with the United States fades. The Soviet approach in dealing with regional issues—especially the Middle East but also Europe and East Asia—

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focuses on differences between U.S. and Soviet interests and seeks to exploit these to Soviet advantage.

How manageable this scenario may prove internally is uncertain. The instruments of control employed to reassert discipline in the economy will meet resistance. Such measures will not create the conditions necessary for a market economy and will discourage international investments and joint ventures. Gorbachev's half steps run the risk of either going too far or falling short. Falling short would mean failing to achieve the stability desired. Going too far would tip the government into dictatorship, of which Shevardnadze so presciently warned.

A second future—the democratic reformers' agenda—is more desirable from the perspective of the West, if less likely. It calls for continuing peaceful evolution to a looser federal structure based on emerging democratic institutions and a market economy increasingly integrated with the world. In effect, it imagines an acceptance of the Gorbachev-Yeltsin deal of last summer, along the lines of the 500-Day Plan, and then projects forward.

In this scenario, after six months of semi-successful repression aimed at holding the union together, Gorbachev senses that the degree of repression he can tolerate will not succeed. He makes yet another turn back to reform, starting with the April 23 agreement. Gorbachev (or a successor) accepts substantial devolution of power to the republics, each of which is encouraged to move to a market economy.

The core of this new program includes substantial sovereignty for the republics and the maintenance of an economic common market. But the center accepts the right of the republics to opt out of the union, and the Baltics, Moldavia, Georgia and perhaps others accelerate divorce proceedings. National economic policy adopts a new and much improved combination of the 500-Day Plan and the report by the international lending institutions. A new central government announces a determined march to the market and takes what essential steps it can, including cutting deficits to achieve fiscal stability, legalizing ownership, freeing most prices and privatizing state enterprises. The demand for more democratization leads to the democratic election of the presidents of a number of the republics, beginning with the Russian federation, and new elections for the Supreme Soviets in the Ukraine and elsewhere without reserved seats for the party establish-

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ment. Some republics institute more democracy and glasnost and some less, as their chosen governments oppress local minorities.

Soviet foreign policy is marked by an absence of attention to events abroad, internal preoccupation, sharp reductions of defense spending and an openness to further arms control agreements as well as unilateral cuts. New republican foreign ministers make sporadic forays into the international arena on issues of special interest to a republic, for example, Moldavia in relations with Romania or an Azeri-Iranian friendship treaty.

The viability of this future is uncertain. Would the traditional authoritarian institutions, including the military and party apparatchiks, relinquish control without a fight? The overriding question is how such a future avoids a spiraling disintegration that would collapse the national economy and inflame regional disputes, fueled by conflicting territorial claims.

Thus in a third Soviet future a counterrevolutionary iron hand could seize control of the union. Gorbachev's queasiness about applying the levels of violence required to suppress independence movements could lead him to quit or be replaced as party and government leader. The continuing deterioration of material conditions could provoke a general strike, even a march on the Kremlin, that would lead to large-scale violence and Gorbachev's removal. Whatever the occasion, the strength of the counterrevolution would come from the security establishment—MVD, KGB and military—supported by conservatives and reactionaries. It would most likely be chauvinistically Russian, justifying suppression as the protection of Russians living in other republics and the preservation of Russian culture. It could well have the blessings of the Russian Orthodox Church.

This counterrevolution's rallying cries would be the preservation of the union, the demand for law and order and the necessity for clear responsibility. According to one of the oldest Russian traditions, avoidance of chaos is seen to require the iron hand (*Zheleznaia Ruka*). Declaring a national state of emergency, MVD forces, supplemented by selected paratrooper units from the military, temporarily suspend republican soviets and arrest dissident leaders, certainly including Yeltsin and his key associates. Glasnost is repealed and the traditional security apparatus becomes active again, reviving personal

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fear as a fact of daily life. A restoration of discipline could alleviate shortages of certain necessities, at least in the big cities, though overall the economy would continue to decline. (In the Pinochet or South Korean version of this future, which is being discussed in Moscow, an authoritarian leader in partnership with defense enterprises seeks to march the nation toward a market economy.)

This scenario also includes a revival of enemy images to justify internal repression. The new government would repudiate Gorbachev's "capitulation" to the West. In the military one would see rapid growth of an already nascent "Weimar Syndrome": blaming Gorbachev and Shevardnadze for surrendering in negotiations what the Soviet Union had won on the battlefield and not lost in the Cold War. Many of the Western gains in recent years are likely to prove irreversible. But such a Soviet government would try to regain traditional positions wherever it could: refusing to implement the CFE treaty fairly; renegotiating "concessions" in the current draft agreement of START and reopening agreed issues in START II; making Soviet withdrawal from Germany and Poland an ugly process, and continually raising the price. Regionally, such a government could reinvigorate destabilizing Soviet policies in the Middle East, beginning with large arms transfers, revive relations with anti-Western terrorists and generally oppose U.S. interests elsewhere in the world. Emigration, including of Jews to Israel, would drop precipitously.

The biggest questions about this scenario concern the costs at which independence and freedom could be suppressed. Most acutely, how would such a central government control reformist impulses in the Russian federation government, the Russian military and among Russians in other predominantly conservative institutions?

Unsatisfactory answers to key questions about each of these three futures lead to a fourth alternative: chaos and civil wars. Note the plural: wars. The disintegration of the union into Balkanized republics, autonomous zones and regions, each asserting its own laws and refusing to comply with those of others, could become anarchic. With the breakdown of trade, industries in one region would be denied critical inputs from another and the national economy could collapse. Sixty-five million people in the Soviet Union live in areas dominated by nationalities other than their own. Pockets of such groups would be suppressed by local majorities. Substantial fighting

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would ensue. As small-scale violence led to larger civil wars, there would be mass migration of refugees to neighboring states to the west and to the south. European studies estimate the number of refugees at perhaps 10 million. Suppressed groups would call for help from outsiders: Russians from the Russian federation, Moldavians from Romanians, Muslims from their brothers to the south. Instability in various Soviet republics could spill over into eastern Europe to the west and Muslim nations to the south.

Under conditions of chaos and civil wars, would central control of nuclear weapons be maintained? In December 1990 the commander of the Soviet Union's most capable divisions, those in East Germany, was dismissed for failing to prevent his company commanders from selling advanced weapons. No student of the civil warfare in the Soviet Union from 1917 to 1921 can fail to be chilled by the sheer ruthlessness and senselessness of the violence. Under such circumstances nuclear and chemical weapons could fall into the hands of renegade groups prepared to use them for blackmail or to offer them for sale. Such possibilities stagger the imagination. But one should recall how many other equally inconceivable events have occurred in the past several years.

VI

Whatever Gorbachev's contributions to Western interests during the period 1985–91, U.S. policy toward the Soviet Union cannot be based in an enduring way on Moscow's past actions. Rather, it must ask what important American interests are currently entwined with existing and future Soviet policies.

The preeminent U.S. interest in the Soviet Union continues to be to avoid a nuclear war between the two countries. Although the likelihood of a nuclear exchange has mercifully declined, the consequences of a failure of deterrence are so great that the nuclear issue must continue to top any list of U.S. interests vis-à-vis the Soviet Union.

This priority is emphasized by two other facets of the nuclear problem, one familiar, one new. No one need be reminded of the effects in Europe and potentially beyond of another Soviet civil nuclear accident. If the Soviet Union were a fundamentally stable political entity, one would nevertheless worry about the safety of its 50 aging and primitive reactors. With the possibility of widespread Soviet internal disorder, it is easy to imagine a tragic intersection between civil violence and

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a civil nuclear facility, or an accident resulting from neglect. Moreover, the bloody disintegration of the Soviet Union would also raise a new specter of transcending interest to the United States, the loss of nuclear command and control by the Soviet central authority. And no single event in the postwar period would pose such high and uncontrollable risks of nuclear war as the violent collapse of the Soviet Union into chaos and civil wars.

The size, capabilities and location of Soviet conventional forces will also continue to matter to the United States and its European allies. The prospective total withdrawal of Soviet troops and equipment from eastern Europe and Germany by the end of 1994 will reduce the Soviet conventional threat to Europe beyond Cold War recognition. All the same, and even if the Soviets comply with the 1990 CFE treaty, Soviet armed forces will be the largest and most capable in Europe. These factors are important because of the risks they present, their impact on U.S. defense spending and the size of the American forces that should prudently remain in Europe. With respect to the military aspects of evolving Soviet policy, both nuclear and conventional, the United States has a profound interest in whether the Soviet Union, even with its severe economic problems, eventually begins a new round of force modernization or pursues force reductions, either unilaterally or through arms control agreements. A breakup of the Soviet Union and a fragmenting of its enormous military force into war among its components would pose unprecedented defense policy challenges for Washington.

Even if the most drastic outcomes in the Soviet Union are avoided, many of Moscow's policies in the political and diplomatic arena will affect important U.S. interests. Will Moscow be a partner with the West in trying to help manage the emergence of an independent and peaceful eastern Europe, or will Soviet actions add to the inherent instability in that region? Will Soviet new thinking extend to Asia, and particularly to Soviet-Japanese relations? Will the Soviet government continue its cooperation with Washington to ameliorate internal and regional conflicts, to build a more stable Middle East after the Gulf War? And will Moscow support Western efforts to slow the flow of nuclear, chemical, biological and ballistic missile technology to unstable parts of the world, in particular, to the Middle East and South Asia?

The United States thus has notable political-military and

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diplomatic interests at stake in the future expression of Soviet external policies. But U.S. interests do not end there. The broad U.S. public responded to Gorbachev's reforms not because they promised a slowdown in Soviet T-80 tank production, however welcomed that was. Rather, glasnost and democratization touched the broad public because these reforms reflected American values. The prospect, however distant, of nearly 300 million more human beings enjoying freedom's benefits and the market's prosperity must gladden the spirit of America and must be fundamentally in this nation's enduring interests.

But what of America's interests, in light of the continuing tensions within the Soviet Union between order and reform, between power at the center and its devolution to the republics, and between the preservation of the union and outright independence or self-determination? The immediate consequences of the collapse of empire have generally been much more negative than positive, both for the former colonies of the empire and for the international system. Churchill commented on the fate of the former members of the Austro-Hungarian Empire after World War I: "There is not one of the peoples or provinces that constituted the Empire of the Hapsburgs to whom gaining their independence has not brought the tortures which ancient poets and theologians reserved for the damned." Nor should one forget the contribution of these newly independent countries' instabilities to the coming of the Second World War.

Banality offers an almost irresistible temptation. It is easy to say that the U.S. interest is in peaceful evolution based on the democratically expressed views of Soviet citizens. But to give such simple and general advice to Soviet leaders does not seem realistic, given that country's numerous, bitter and often violent ethnic rivalries, its economic decline and lack of democratic and free-market traditions. There is a middle ground between empty, even feckless, lectures from afar and excuses from the same distance for Gorbachev's every undemocratic action. Here are some guidelines.

The violence against the Baltic people must stop and, because of their unique history, Gorbachev must allow these three republics to regain their independence. A fair divorce proceeding between Moscow and the Baltic capitals that produces this result could take several years. But negotiations

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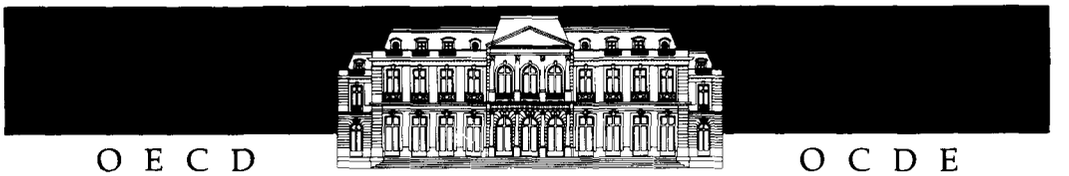

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must have an end point, and that end point must allow independence.

As for the other 12 Soviet republics, any arrangement acceptable to any republic and the Soviet central government should of course be acceptable to the United States. More power to the constituent parts of the Soviet Union in some kind of federal arrangement is a necessary condition for any successful Soviet future. But universal self-determination is not an American constitutional principle, as amply demonstrated by our own civil war. There is no end to boundless self-determination or to the progressively smaller ethnic groups that will demand it. Why should the United States support endless and automatic self-determination based on nationality—and at whatever price—in the Soviet Union, including Russia and the Ukraine, more vigorously than in Croatia, Transylvania, Slovakia or for Quebec? The United States should refuse to be intimidated by invocations of this principle—both as a matter of priorities and because of its destructive effect on the territorial integrity of the Soviet Union and, therefore, on the U.S. interests that would surely be profoundly threatened by the Soviet Union's violent disintegration.

Finally, America's interests clearly require that it support and speak out on behalf of democratic change. This is consistent with both its values and its best traditions. But there is also in this case a compelling geopolitical reason for such an American stance. It is highly unlikely that Soviet new thinking in matters of foreign policy can flourish, or even survive, in the context of internal repression. The best long-term prospect for cooperative Soviet behavior abroad is the sustained development of Soviet democratic institutions at home.

VII

Many believe there is little the United States can do to affect the outcome of the Soviet domestic struggle: there is too much turmoil to be influenced from the outside; Gorbachev's perestroika may be winding down anyway; the United States has no money and little or no influence; America has to tend to its own problems. The West therefore must simply watch events unfold, hoping for the best but expecting far less.

Such passivity is curious, if not dangerous, on a matter that has such profound implications for the future security of the United States. Having spent some five trillion dollars to meet

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the military challenge of the Soviet Union around the globe, is the United States (and its allies) to opt out now when the Soviet future is being formed? Will the United States and its allies in Europe and Asia later regret this passivity, especially if internal retrenchment in Soviet policies again forces the democracies to spend vast amounts to counter Moscow's international activities?

It is important, as critics stress, to recognize the difficulty of the task of aiding Soviet transition to democratic institutions and a market economy. It may well be that a large and coordinated Western effort would fail because of Soviet bureaucratic resistance or incompetence, opposition of the Soviet people or Gorbachev's (or his successor's) unwillingness to make the necessary reforms. The odds of failure indeed appear higher than those of success. But with so much at stake, Western delay in trying to affect the odds on which Soviet future emerges is myopic.

What, then, should the West do, and do urgently, to try to promote a positive Soviet future, to avoid the return of dangerous and destabilizing Soviet external policies or the violent disintegration of the Soviet state?

First, we should recognize that events in the Soviet Union present a historic window of opportunity. People in the Soviet Union have concluded that their society has failed. They believe that the economic and political democracies of the West have succeeded. They truly aspire to be a "normal society." They know that they do not fully understand what that means, or how it can be achieved. They believe that people in the West do know. They thus stand at a "learning moment," eagerly receptive to the lessons of Western experience in normal societies. The West must not abandon the brave Soviets fighting for reform. If it gives up, many of them will prudently do the same. If the West can pause to recall the central values on which its economic and political institutions were founded, it should make a major effort to distill and communicate these core truths to Soviet citizens whose entire lives have been confined to a prison of distorting mirrors. The conversion of a military-industrial society must occur most importantly in the minds of key people: one by one.

The West should pursue a strategy of building the infrastructure for democracy. The Soviet Union is today open to printing presses, copying machines, personal computers, fax machines and satellite dishes. Specific assistance can make the

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opening of the Soviet consciousness irreversible. Western support, however, must be differentiated. Help should be given to those whose actions will help bring democracy and a market economy, not to opponents or those who wish to dismember, violently if necessary, the U.S.S.R. Reform, yes. Repression, no. Encourage devolution to a new confederation of sovereign republics. Discourage anarchy surrounding the disintegration of the Soviet state.

Second, the United States should continue active attempts to engage the Soviet Union in the management of what will remain a dangerous international environment.

Third, in an effort to forestall Soviet futures that would most deeply threaten Western interests and global stability, a coalition of Western governments led by the United States should immediately design and offer to the Soviet Union at the Group of Seven Summit in July a bargain of Marshall Plan proportions. The terms: substantial financial assistance to Soviet reforms *conditional* upon continuing political pluralization and a coherent economic program for moving rapidly to a market economy. The strategy: create incentives for leaders at the center and in the republics to choose a future consistent with our mutual best interest by promising real assistance for real reform. The outline of such a historic bargain can be perceived:

On the Soviet side, a major step toward meeting the terms required by the West was taken on April 23 in the "Nine-plus-One" power-sharing agreement signed by Gorbachev and the leaders of the nine major republics. The terms include:

—Recognition of the depth of the crisis and the real risk of violent disintegration.

—Acceptance of the republics as "sovereign states" each of which has the specific right to decide independently whether to join the new union or to be separate and independent.

—For those who join the union, agreement on a common economic space among them, protection of human rights of all individuals and restoration of constitutional order and strict compliance with current law.

—Immediate preparation of a new Union treaty, followed by a new constitution of the U.S.S.R. and national elections.

The draft of the new Union treaty embodying these principles has recently been completed and is slated to be signed in June by the nine republics and most likely others as well. What more should the West require? Essentially two points. First,

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consistent with the "Nine-plus-One" accord and commitments by the U.S.S.R. to the CSCE treaty, Soviet authorities at all levels would reaffirm their international commitment to respect human rights of individuals within the Soviet Union whatever their national, ethnic or religious identification.

Second, the states that join the Union would have to make a collective commitment to focus in the next stage of development—the next three years—on a rapid transition to a market economy as the essential foundation for sustaining democracy. Experts designated by the center and the republics would devise in consultation with Western representatives a realistic program for moving rapidly to a free market economy with substantial Western cooperation and assistance. The Marshall Plan offers an instructive precedent. The United States promised financial aid only if the European parties could agree on a joint plan for reconstruction. The major steps in the Soviet program must include: (a) stabilization: sharp reductions in fiscal and monetary deficits by cutting defense spending and subsidies to state enterprises; (b) legalization of enterprise: beginning with ownership, legalizing economic initiative including much of what remains gray or black in the present Soviet economy; (c) liberalization of prices: moving in stages to total decontrol in which prices will reflect scarcity values, first within the Soviet Union and soon thereafter in the world economy; and (d) demonopolization and privatization: transferring productive economic activity to private hands in an environment in which many enterprises compete.

The U.S.-Western side of the grand bargain should entail a well-designed, step-by-step, strictly conditional program of assistance provided both to the center and to the republics to motivate and facilitate rapid transition to a market economy. Core elements of the program of incentives would include:

—A clear signal of the West's commitment to help the Soviet Union in this peaceful transformation in any way Western assistance can impact upon the probability of success.

—Forthrightness that this means major financial assistance only if and as the Soviet Union is committed to a realistic plan for the transition to the market economy, a plan to which Western assistance can make a difference. Unconditional aid, no. Aid contingent upon actions that increase the probability of success, yes.

—Special status in the International Monetary Fund (IMF) and World Bank. As the Soviet government, in conjunction

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with Western assistance, undertakes the necessary structural changes in its economic and financial institutions and policies, it should become eligible for billions of dollars of aid from these institutions as well.

—Massive technical assistance distilling lessons of international experience and providing those lessons in any array of training programs for essential activities in the transition.

—Financial assistance of $15 billion to $20 billion per year for each of the next three years in grants, not loans, the cost to be shared by the U.S., Europe and Japan. The grants should be allocated appropriately between the center and the republics. Funds would go for general balance of payments support, project support for key items of infrastructure (like transportation and communication), and the maintenance of an adequate safety net as part of a general "conditionality program" that followed basic IMF-World Bank principles.

Would Gorbachev or a successor strike such a bargain? Perhaps not today. But as conditions worsen, the beacon of substantial Western assistance could indeed come to concentrate the minds not only of reformers, but of straddlers as well. Even if the offer and its historic incentives should ultimately be refused, the West could take some comfort in knowing that the Soviet reform effort did not fail for want of something the West could have provided.

In Washington today conventional wisdom declares the Soviet situation a lost cause. We believe it is too early to draw such a fateful conclusion. Recall that it was not until three years after the end of World War II that George Marshall called for a massive coordinated program to assist the reconstruction of Europe. The founding fathers of the transatlantic relationship on this side of the ocean persevered against what many at the time believed were very long odds, knowing that to do otherwise would be to consign generations to come to a world less stable and less safe. A U.S.-led effort to help transform the Soviet Union would certainly be significantly more difficult than the challenge undertaken by the United States through the Marshall Plan. Nevertheless, there are more than enough reasons of self-interest and values to try.

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Robert Pastor
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THE CARIBBEAN IN THE 21ST CENTURY

As the small nations of the Caribbean assess the rapid changes in the world, they have begun to ask whether they will be left irretrievably behind. To pose the question in a more positive way: Can the Caribbean end its economic stagnation and backwardness and embark on a bold new course to fulfill the region's potential?

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With the exception of Haiti, most of these countries have made substantial social progress: education and health standards are among the highest in the developing world. In terms of economics, however, the region has failed to find a path toward sustainable, equitable growth. Some have done better than others, and there are lessons to be learned in the differences. But generally, economic development has proven elusive.

The strength of the region has always been its people and

Robert Pastor, professor of political science at Emory University and a fellow at the Carter Center, was Director of Latin American Affairs on the National Security Council, 1977–81. Richard Fletcher, Deputy Manager for Programs at the Inter-American Development Bank, served as Jamaica's Minister of State for Finance and Planning, 1977–80. The opinions expressed are the authors' alone. This article is adapted from a study commissioned by the World Peace Foundation. Copyright © 1991 by Robert Pastor and Richard Fletcher.

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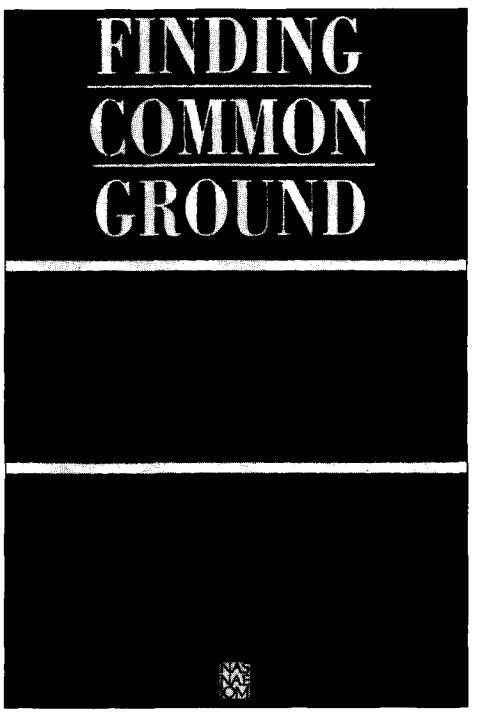

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their adaptability. The region's democratic leaders have modified their views from a philosophy based on state-directed economic management to one that relies more on the market's ability to allocate resources. The mood of the regional leadership has swung from a fear of foreign investment to anxiety about the lack of it. Some Caribbean leaders had previously viewed the Cuban model as the solution—and the United States as the problem. Now there is widespread recognition that Cuba's path is of limited, if any, relevance for the future, while the United States is viewed more pragmatically as a vital market, a source of support and a possible partner.

Driven primarily by security interests, the United States has often oscillated between intervention to prevent a foreign rival from gaining a foothold and neglect when the threat passed. But the region's increasingly democratic character, together with large-scale emigration to the United States during the last three decades, has changed the U.S. view of the region in ways that might permit a steadier long-term relationship.

We believe the time has come to consider a new stage in the region's development and its relationship with the United States. We recommend that the region shift toward a new economic strategy based primarily on self-reliance. Provided the region makes the appropriate macroeconomic decisions, the United States should offer a bold economic initiative, opening its markets wider to the region's exports, perhaps as part of a broader extension of a North American Free Trade Area (NAFTA). U.S. aid and financing should be a complement and supplement, not a substitute, for the region's new economic strategy.

II

Politically and socially, Caribbean aspirations have been commendable and essentially attainable. The nations have wanted democracy, independence and stability, and the region's citizens have sought justice and equality of opportunity. By and large the English-speaking Caribbean has attained these goals, a remarkable achievement in the developing world. Culturally, the region is justly proud of its distinct identity, and its reggae and calypso have enhanced the global cultural fabric.

The basic Caribbean problem is that its economic aspirations have been beyond the reach of the islands' small scale. Influenced by the demonstration effect of the United States, the

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Caribbean people have naturally wanted the same standards. Caribbean workers have been unwilling to accept living standards that are lower than those achieved by relatives who have migrated to North America. Democratic leaders have not wanted to tell their constituents that such aspirations are unreal. The region's businessmen have preferred to sell American and European goods to protected home markets rather than manufacture goods for export.

The region suffers chronic balance-of-payments deficits, over-dependence on a few agricultural or mineral commodities (sugar, bananas, bauxite, oil) and increasing dependence on tourism. Although tourism has proven a much needed source of foreign exchange, it also has increased the region's vulnerability. Tourist revenues are greatly affected by developments that are totally unrelated to the tourist industry. Tourism plummets as a result of scares, like AIDS in Haiti, or violence in a neighboring country or recession in the United States or Europe—all factors beyond the influence of hoteliers. Even the war in the Persian Gulf damaged the crucial winter tourist season.

The region suffers from other problems. Skilled labor and professionals emigrate at a high rate. Foreign investment has preferred Mexico and Costa Rica. While the region has largely maintained its democratic system, political and drug-related threats have increased. The attempted coup in one of the region's largest islands, Trinidad, in July 1990 underscored the vulnerability of all the islands.

The population of the entire 13-member Caribbean Community (CARICOM) is five million; fewer than the population of each of the three Latin nations—Haiti, Cuba and the Dominican Republic. Even if one adds these islands, the total population amounts to less than 30 million, and the gross domestic product is probably less than that of Dade County, Florida. Air traffic in Miami exceeds that of the entire region. The Caribbean simply does not have as large a margin for choice as it would like.

Most of the Caribbean has lost two decades of economic progress. This has led to high unemployment (20 percent on average, 50 percent among youth) and increasing frustration. The Caribbean is not in danger of revolution; rather the prospect is for continued deterioration, growing social delin-

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quency (crime, drugs), emigration and sporadic attempted coups by radicals or drug-traffickers or both.

In 1952 Puerto Ricans asked themselves whether they should become independent, and the 3.2 million people on the island decided that their land was too small and underpopulated to consider independence as viable. Ten years later, Puerto Rico's much smaller and poorer English-speaking neighbors began to declare their independence, not bothering to ask the question that Puerto Ricans had agonized over. That question of economic viability remains unanswered.

We believe the Caribbean can attain economic growth, create more jobs and achieve a more equitable income distribution. After a decade of economic regression, where GDP per capita in Jamaica and Guyana fell to levels of the early 1960s, the immediate prospects are not good. The two lessons of the last 20 years that emerge from these experiences are: first, economic performance does not depend on how much aid and resources a nation receives, but how it uses them and which economic policies it chooses; and second, the most effective policies in the region were those that put greatest emphasis on the use of a country's own material and human resources. If it adopts policies based more on self-reliance, the region can begin a turnaround within five years.

Self-reliance has two components. First, economic policy reform should be driven by a process of local consultation—rather than directed by foreign officials—because that will ensure the requisite commitment for sustained action. Second, countries must avoid borrowing at levels that create an insupportable burden of debt service. For most countries, this means less than two percent of GNP. Imports should be paid mostly with export revenues; budgets should be financed by taxation, not by printing money.

In recent years a new consensus has emerged regarding those policies that are most likely to produce positive economic growth.[1] The package includes the following: trade liberalization with a bias toward export; fiscal self-reliance with an effective tax system; a policy favoring investment over consumption; and deregulation and privatization. A number of countries, notably the "Asian Tigers," have demonstrated that this policy mix can produce excellent results. For those who

[1]See John Williamson, *The Progress of Policy Reform in Latin America*, (Washington, D.C.: Institute for International Economics, 1990).

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think Asian culture might be the explanation more than these economic policies, they need only consider that two of the smallest countries in the Caribbean with the least resources utilized the same mix with the same positive effect—Barbados in 1960–80 and the Bahamas from 1970–90.

An effective recipe for economic growth and job creation in the Caribbean would involve the following mix.

Trade Policies

Import substitution as an engine of growth has exhausted its possibilities for the Caribbean. To improve living standards and productive capacities, the region needs to import more. But given the limits to future capital flows, the only way to pay for these imports is to expand and diversify exports. The traditional exports—bauxite, sugar, bananas and tourism—cannot grow fast enough. To develop new lines of exports—for example, apparel, light manufacturing, assembly operations, data entry, agro-industry and services—will require a fundamental shift from an anti-export to a pro-export bias. Such a change requires unpopular polices, such as flexible exchange rates, tariff reduction and deregulation. That is the political dilemma and the reason why these policies have seldom been implemented or sustained.

Fiscal Policies

To be self-sustaining, the Caribbean must learn to live within its means, with perhaps a modest current account deficit. (The United States also has much to learn in this regard.) Fiscal policy must be oriented towards increasing the level of domestic savings and ensuring that budgetary expenditures are financed without resort to excessive borrowing or printing of money. The tradition of dependence on external finance in the 1980s unfortunately has been both cause and effect of extremely low savings rates, chronic budget deficits and periodic debt crises in most Caribbean countries. Adjustment in these areas will require reduction in public employment, increased taxes, reformed tax codes, reduced subsidies, increased utility rates and other potentially onerous measures.

Investment Policies

Growth and job creation are not possible without capital accumulation. The tough questions are: Who will invest? In what areas should they invest? How should the government

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privatize most efficiently? What other steps should the government take to encourage investment?

It is widely recognized that few Caribbean states have been efficient investors or manufacturers, particularly in the export sector. Export diversification programs, therefore, will depend mainly on local and foreign private investors. Governments will need to provide improved infrastructure to establish an environment conducive to private investment. Governments have options for judging where they want to encourage investment, and the experience in East Asia suggests that close collaboration between the government and the private sector works better than a laissez-faire or an adversarial system. Caribbean governments have not begun to develop mechanisms for collaboration yet, but they need to get started.

If done properly, privatization can generate new investment and innovation in bloated inefficient industries. National governments can also compel these large companies to respond more to the market by measuring their performance according to private standards. But privatization entails some risks if it is not handled correctly, or if the public monopoly is transferred to private hands with no public accountability or increase in competitiveness.

Labor Policies

Caribbean trade unions traditionally have bargained for higher wages and benefits in capital-intensive industries (oil, bauxite, cement). These sectors could afford high wages but have generated little additional employment. Trade union wage-push has contributed to the anti-export bias and to inefficiencies, which have made Caribbean workers uncompetitive with their Mexican and Dominican counterparts. Trade unions will need to reexamine and broaden their role so that they participate in and take responsibility for tough macroeconomic decisions by governments, such as the trade-off between high wages and job creation.

Social Policies

The transformation of import-driven economies to export-oriented engines for growth will require a massive effort in education—not just in schools, but also on-the-job training. The universities will also have to be adapted to the computer

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and technological needs of the 21st century since the labor force of the coming decades is already in school.

Health programs are essential, not just because of their inherent worth, but because they are related directly to productivity. And tourism is more attracted to a country that maintains high health standards. Indeed, Costa Rica has shown that a small country with high levels of education and health can attract large numbers of Americans retirees. Expatriate retirement communities represent an important source of revenue and development, especially for the smaller islands.

If the region becomes more export-oriented, it will soon see the emergence of a new class of entrepreneurs climbing up the economic ladder. Nevertheless, there will remain a large number of people who cannot find the first rung. There will be increasing needs for programs aimed specifically at relieving the distress of society's poorest. The most effective remedies are education, job creation and price stability, but specific programs will need to be targeted to those who are dislocated by the changes.

III

Self-reliance does not mean isolationism, an end to regionalism or the cessation of external assistance. Rather it prescribes a different set of priorities in the way nations have approached their economic problems, and it raises some new and difficult questions.

Notwithstanding the frequent encomiums to regional unity, the decisions of government leaders reveal little interest in transferring sovereign powers to CARICOM. And the truth is that only a small portion of each nation's trade is within the Caribbean; the major part is with the United States and to lesser degrees with Great Britain and Canada. Therefore CARICOM should not be viewed as an alternative to an economic relationship with a wider group like the United States or Europe, but as a necessary complement. The trend toward regional blocs in world trade means that the Caribbean needs to decide its trading priorities. Some have recommended the region turn to Europe. While we agree Europe is an important market, we believe the highest priority should be to strengthen and unify CARICOM as an essential stepping stone toward eventual entry to a wider North American Free Trade Area.

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One preliminary issue in need of some hard analysis is the currency.

A stable economy is a precondition for a stable currency. But the reverse is also true. The region has three options. First, weak and volatile national currencies can coexist alongside trade in U.S. dollars. The irony is that the region's most vociferously nationalistic regimes—like Sandinista Nicaragua, Guyana and Jamaica—were forced to rely increasingly on the dollar as their own currency lost its credibility or value. A second option is a Caribbean-wide currency that is printed and distributed by a single central bank. If Europe can move in this direction, certainly the Caribbean can as well. A regional currency may be facilitated by establishing a single CARICOM central bank. A third option is to formally adopt the dollar as the region's currency. From the perspective of the Caribbean, this option is not desirable politically, but it could be inevitable economically. If the first option fails, or if the region cannot agree to a regional currency—the best path—then adopting the dollar might be reconsidered by default.

For the United States the Caribbean is economically insignificant. It accounts for a small fraction of U.S. trade. Nonetheless, for strategic reasons, Washington modified the global trade policy that it had pursued consistently in the postwar period in favor of a regional trade policy aimed at fostering development—the Caribbean Basin Initiative. Passed by Congress in August 1983 and made permanent seven years later, the CBI aimed to stimulate investment, create jobs and promote economic development through expanded trade opportunities. Congress, however, excluded many of the region's key exports from the program due to fear that declining U.S. industries or agriculture could not compete.

The U.S. International Trade Commission evaluated the program's effectiveness from 1983–88 and concluded that "over all, levels of new investment in beneficiary countries in the region remain disappointingly low."[2] The CBI stimulated nontraditional exports and had a net positive impact on the economies of the region, but that impact was quite small. Two analysts estimated that the annual trade creation due to the CBI ranged from $164 million to $267 million, less than the annual

[2]U.S. International Trade Commission, *Annual Report on the Impact of the Caribbean Basin Economic Recovery Act on U.S. Industries and Consumers, Fourth Report*, September 1989, p. 6.

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cost of the simultaneous reduction in the region's sugar exports.[3]

The effect of U.S. sugar policy on the region has been enormous. In the 1890s an increase in the U.S. tariff on Cuban sugar imports precipitated the Cuban war for independence. More recently the end of the U.S. sugar quota system in 1975 led to a steep decline in the Caribbean sugar industry, a mainstay of the region's economy. A new quota system was approved by Congress in 1981. Imported sugar received a higher price, but the reduction in quotas for the Caribbean region was severe—from an annual average of 1.7 million tons imported per year from 1975–81 to only 442,200 tons in 1989. From 1982–89 the countries in the region lost about $1.8 billion in potential revenue as a result of sugar quotas.

The CBI hardly made a dent in that loss. In the Dominican Republic alone five sugar mills have closed since 1982. Throughout the Caribbean Basin about 400,000 jobs were lost because of the diminished sugar quotas, and these were mostly jobs in poor rural areas with the worst unemployment. In contrast the CBI created about 136,000 jobs in manufacturing from 1983–88. During this same period the Caribbean Basin's labor force increased by 2.3 million. The region, like sugar's value, has been declining.

Thus the decision by Congress to extend the life of the CBI without expanding its provisions or coverage is a mixed blessing. It is marginally useful for promoting development, but the region needs a more potent stimulus. If the Caribbean is willing to consider some of the steps outlined above, then the United States ought to consider a similarly bold initiative. It should include the following: the expansion of the U.S.-Canadian-Mexican free trade talks to include the Caribbean either during or after the negotiations and an interim series of steps to open the U.S. market for sugar, textiles, apparel and steel. The two areas that could have the most rapid and most positive difference are relaxed quotas on sugar and textiles. Of course, the two U.S. lobbies are very strong. The sugar lobby beat back any liberalization when CBI was extended, and the textile lobby came within a few votes of imposing the first protectionist bill on a president in over half a century. Any

[3]Joseph Pelzman and Gregory K. Schoepfle, cited in "U.S. Sugar Quotas and the Caribbean Basin," by Stuart K. Tucker and Maiko Chambers, Overseas Development Council, Policy Focus no.6, December 1989, p. 4.

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change in trade policy will require strong presidential leadership.

On sugar policy—if the president is willing to bear the political consequences—there are a host of alternatives. He could directly subsidize domestic farmers in a free market; change quotas to outright tariffs and reduce them; expand quotas for the Caribbean gradually; or guarantee a fixed quantity and price on a multiyear basis that would permit greater stability for the region. Whatever option is chosen, it should be done in a gradual and predictable manner that would permit long-term planning.

On textiles and apparels Washington could expand access to the U.S. market. This is another case where asymmetry could be used to assist the region as the local effect would be substantial with little adverse effect on the United States. From a practical political perspective, however, it might be easier for the United States to negotiate an expansion of the free trade agreement to include the Caribbean than it would be to modify the sugar or textile policies.

The Caribbean has a two-sided problem regarding debt and further aid. It needs new capital to finance the modernization of its economy but cannot service the debt it contracted in the past. New aid or financing is infeasible unless the region demonstrates that it can use the new money more effectively than it did the old. We believe new financing and debt relief should follow, not precede, reforms and self-reliance. But such financing cannot be delayed for long without jeopardizing the reforms.

The Caribbean has been the recipient of some of the largest aid flows on a per-capita basis in the developing world. The Caribbean Group for Cooperation in Economic Development, established at the initiative of the Carter Administration in 1977 and under the auspices of the World Bank, succeeded in coordinating external aid flows and increasing them quite substantially—sixfold from 1978–82. Since then aid has gradually declined, though it still remains high by global standards for a middle-income region.

The World Bank estimates that total financing requirements in 1990–91 will amount to about $2.7 billion; of that, nearly half is already available, although this is principally in the form of medium-term adjustment loans for Jamaica, Guyana and the Dominican Republic. We recommend that this aid be aimed for a clearer set of investment priorities. To induce

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more flows, donor concerns such as the environment should be taken into account.

The region's debt problem is different from that of Latin America's, which is primarily contracted with private banks. From 1980–88, Caribbean debt doubled, to nearly $10 billion. Most of that new debt stemmed from the loans generated by the Caribbean Group. Jamaica had to use 40 percent of its $1.6 billion in export revenues in 1989 to service its debt. For the whole Caribbean, with the exception of Trinidad and Tobago, 36 percent of total debt is owed to the international financial institutions, 27 percent to donor governments and 37 percent to commercial banks. For Jamaica, 46 percent of its debt is owed to governments and 40 percent to multilateral agencies.

U.S. Treasury Secretary Nicholas Brady offered an important proposal on March 10, 1989, to reduce privately contracted debt, but his initiative has made little progress because no single entity was placed in charge of the negotiations. Thus far there has been no effort to negotiate this proposal in the Caribbean.

We believe that the World Bank should take the lead in negotiating the Brady Initiative and begin doing so in the Caribbean immediately. Even if the Brady Initiative is applied vigorously to the Caribbean, its overall effect on the economies will be small since most of the region's debt is official, not private. As regards the official debt, Jamaican Prime Minister Michael Manley made a proposal to Secretary Brady, and on June 27, 1990, in the context of his Enterprise for the Americas Initiative, President Bush responded with a promise of relief. Congress has not completed its review of the proposal, and so it is difficult to estimate the magnitude of the relief. U.S. bilateral loans represent about one-quarter of the total debt. Canada already announced in early 1990 that it intended to cancel all outstanding development-aid debt owed by 11 CARICOM countries. That amounts to $182 million. We recommend that other governments follow the spirit of the U.S. and Canadian initiatives and implement across-the-board official debt relief.

An additional problem is that the region has begun to have a negative transfer of resources to the international financial institutions. Write-offs of official debt owed to these institutions are infeasible, but it is possible to consider several alternative approaches. The maturities of existing loans could be lengthened. This is already being done with new loans, but

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it should also be applied to older ones. The banks could also refinance loans that are coming due and capitalize the interest and also provide new loans with mixed credits.

IV

Emigration remains a powerful factor affecting the region's development, but few have bothered to incorporate that variable into the development equation. Already about one-fourth of the population of the English-speaking Caribbean has emigrated to the United States, the United Kingdom and Canada. The loss of skilled and entrepreneurial manpower remains a significant cost to the region's development, exceeding the positive effect of remittances. The new U.S. immigration law, which makes it easier for people with skills to immigrate, will undoubtedly hurt the region even as it contributes to the economic development of the United States. Despite these facts, emigration is such a central part of the region's psychology, particularly its elite, that its leaders seek more access to the U.S. labor market, not less.

It is time to create incentives for the region's talented population to return home. The first place to start is at the international organizations, and particularly the development banks where so many talented Caribbean economists work. These organizations should adopt a rule that permits Caribbean technocrats to work there for a fixed term and then to return to their countries. Perhaps more than any single initiative this would create a new psychology for the region and permit the accumulation of human capital needed to manage both private enterprises and public projects. Moreover since so many of these individuals will have returned with great experience in the international development banks, they would serve as effective interlocutors with these institutions.

Tourism has replaced sugar in many islands as the principal source of foreign exchange, but too much of that foreign exchange leaves the region because too few linkages have been developed with local economies. Few hotels use local food or products. Private sector leaders in the region need to find ways to increase linkages of these hotels and to bring the costs down or risk losing the tourists. Other ideas for expanding tourism include pre-clearance facilities in more countries. The Bahamas and Bermuda already have such facilities, whereby U.S. customs and immigration officials process tourists before they

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leave the island. Tourists prefer this as it permits them to exit to their destination much more rapidly.

In the course of reviewing a range of policies, it is worth recalling that the islands rest in a very turbulent sea, and nature has had a much more potent effect on the islands than has man. Hurricanes strike periodically with devastating force—Hurricane David in the fall of 1988 and Hugo the next year. Jamaica, Puerto Rico, the Virgin Islands, Montserrat, St. Kitts and Nevis—all have not fully recovered from the force of these winds.

The United States has established the Federal Emergency Management Administration to deal with natural disasters at home, and international agencies have helped the Caribbean to dig out from their disasters. The U.S. Army Corps of Engineers has often played a useful role, but as yet, there is no central mechanism or fund to which all in the region could contribute. We recommend that CARICOM leaders use their next summit to invite the United States and Canada to send representatives to develop a permanent region-wide plan to manage the relief assistance on an emergency basis.

V

The region's strength and vulnerability is its democracy. There is no better framework for peaceful change or for meeting the needs of the people. Part of the reason Caribbean nations have escaped the Latin American malady of recurring coups d'état is that they have kept their armed forces small and professional. Yet the attempted coup in Trinidad alerted the region to its vulnerability, and the CARICOM leaders agreed in July 1990 to study the security issue. The question is what will be done?

The region faces four threats: pariah states that threaten their own people and their neighbors; coups by mercenaries or minorities (bandits or radicals); subversion or corruption by drug or criminal elements; and oil spills and foreign fishing in territorial waters. To deal with the more conventional threats, several of the larger nations in the region have military forces. Six of the smaller nations have established a Regional Security System, which is not a standing army but rather a mechanism of cooperation. Each has trained 60 police officers, who, in the event of an emergency, would create a force of 360. This is an

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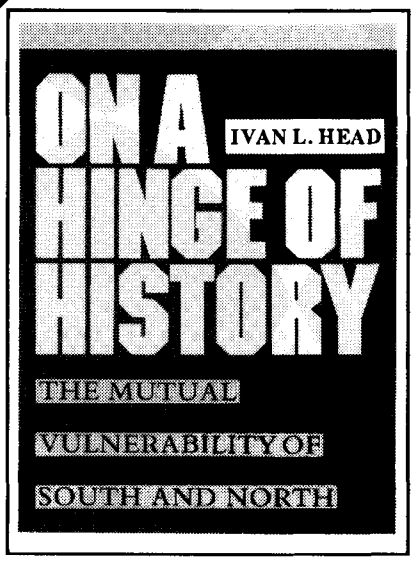

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improvement on the past but inadequate to deal with these threats.

What more is needed? We recommend amending the CARICOM treaty to spell out the steps that the region would take in the event of a coup, a threat of a takeover by drug traffickers or the emergence of a rogue state. The first step should be an immediate regional summit meeting to discuss the timing and sequence for diplomatic, economic and ultimately military sanctions. Such a treaty provision would deter threats and substitute for a large military. The treaty also ought to include a provision for requesting non-Caribbean nations or international organizations to reinforce CARICOM's own security capabilities. The size of local forces is less important if there is a credible deterrent, and that can only be provided by a major power.

The region should try to gain wide acceptance for stronger human rights provisions and groups, such as a CARICOM Commission of Human Rights and a CARICOM Court of Appeals. International election observers may also play a key role, as they did in Haiti and are doing in Guyana and Suriname.

David Coore, Jamaica's minister of foreign affairs, told the United Nations in October 1989: "There is no doubt that the drug problem has today assumed proportions which are far beyond the capacity of individual states to control."[4] A recognition of the transnational dimension of drug trafficking is the first step toward managing it better. We would urge more regional collection and sharing of intelligence; more cooperation on interdicting traffickers and arresting money-launderers; a training facility for anti-narcotics agents in both investigative and interdiction activities; and more cooperation involving the U.S. Coast Guard (a better model for the region than the U.S. Navy). Prime Minister Manley's idea for a multinational drug force was tabled by the United Nations; it merits reconsideration for the Caribbean alone.

A big problem of pursuing drug traffickers relates to the reliability of sensitive information. The small nations of the Caribbean were justifiably frightened when U.S. Drug Enforcement Administration agents arrested a Caribbean premier in Miami. To ensure that such sensitive information is

[4]Statement by Senator the Honorable David Coore, Q.C., Minister of Foreign Affairs and Foreign Trade of Jamaica, at the Forty-fourth Regular Session of the United Nations General Assembly, New York, Oct. 4, 1989, p. 11.

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accurate rather than used for political purposes to destroy a person's career, we recommend that CARICOM and the United States establish a high-level, trustworthy special court to judge the evidence. In addition the region needs stringent legislation providing heavy fines and long-term imprisonment for drug traffickers. Their property ought to be held when they are arrested and confiscated if they are found guilty. Only four Caribbean nations have such stringent legislation. Consideration ought to be given to strengthening extradition treaties to cope with international drug smugglers.

The United States is a growing source of the problem of arms trafficking, and Caribbean countries have a right to demand changes in U.S. laws on local arms sales if the United States is to demand changes in their banking laws. Miami has replaced Havana as the principal source of subversion in the region. But it is a special kind of nongovernmental, transnational subversion that serves as a source of illicit arms sales, money laundering and drugs. The United States has a responsibility for addressing this side of the problem if it wants the Caribbean to address its own problems.

Beyond these threats CARICOM has new opportunities to expand its membership by including the Dominican Republic and a democratic Haiti. For the last decade the group has lectured Haiti on democracy. Now with a freely elected government Haiti is seeking admission, and CARICOM has the responsibility to set the political terms—a guarantee of democracy—that will secure both Haiti's new freedom and CARICOM's at the same time.

The Caribbean and Puerto Rico have long had a mutually ambivalent relationship that stems from the ambiguity of Puerto Rico's status. If and when a plebiscite occurs, and if Puerto Ricans make a clear choice, then special attention will be needed to develop more enduring relationships between the new Puerto Rico and the Caribbean.

Although Cuba is becoming less of a player in the region, it remains too big to ignore. Indeed the Caribbean is beginning to worry that a post-Castro capitalistic Cuba might become a more serious threat than a communist Cuba. With a vibrant tourist industry and cheap, well-educated labor, a "new" Cuba would be a formidable competitor.

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VI

If the Caribbean joins Mexico, Canada and the United States in a free-trade area, then political and social issues will become regional in scope. Greater economic integration will inevitably lead to questions about the freer movement of population, and these, in turn, will lead to an inquiry into political association.

In the summer of 1990 CARICOM decided to intensify its efforts to establish a single unified market by 1993, the twentieth anniversary of its establishment. The first step toward that goal was supposed to be implementation of a common external tariff in January 1991. But the continued delay raises the old question: How realistic is the initiative? Are the leaders willing to reduce their sovereignty for a more effective regional autonomy? If the trend toward integration is real, the region's leaders will soon face the same kinds of questions faced by the European Community as it prepares for 1992. Should there be a Caribbean-wide currency with a single central bank, or should the region take a bolder leap and accept the dollar as the currency unit?

Should the region seek political association with the United States, or restrict its relations to a closer economic compact? Should the region be thinking of a North American Commonwealth, a grouping of sovereign states that seeks to coordinate foreign and defense policies in addition to economic and welfare policies? Should there be free movement of people? What about citizenship?

It is time to begin regionwide discussions about these questions. As the walls of the old world tumble down, we must begin thinking of ways to rearrange the "new world." To begin the process we recommend the establishment of an informal group of North Americans with interests in the Caribbean Basin. This includes Canada, the United States, Mexico, Venezuela, Colombia, the Caribbean and Central America. Such an informal group, modeled on the Inter-American Dialogue or the Trilateral Commission (only with a more specific mandate), might eventually propose the establishment of a Caribbean Basin Parliament or Assembly that could address salient issues in a more formal and authoritative way.

The Caribbean is small in size and population but of large importance to the United States. If the Caribbean is to fulfill its potential, the answers must come first from the region. We believe a compact between the United States and the Carib-

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bean is necessary, but that it should begin only after the region's leaders demonstrate a commitment to new economic policies aimed at promoting exports, expanding investment, minimizing fiscal and current account deficits, and providing incentives for return migration by skilled labor.

Such a plan of self-reliance is not autarkic; it is not intended to shield the region from the competition of the world. Quite the contrary, the plan is designed to make the region more competitive. It does not rely solely on the market; it is premised on the idea that governments have a crucial role to play in fomenting development, not in production, but in regulating and ensuring that those who are disadvantaged by the market system are compensated by those who gain.

The United States should take a long view of the region and realize that a relatively small investment can yield a bountiful dividend in assuring a democratic and prosperous neighborhood. By opening its markets and providing financing, the United States would be helping these countries provide jobs for restless youths who might otherwise consider illegal migration or drugs.

Haiti has now presented an opportunity to move toward a new horizon. CARICOM and the United States ought to embrace this new democracy and devise a political framework that will prevent it from returning to dictatorship while at the same time guaranteeing the democracies of the entire region. The steps to deter such an adverse swing of the pendulum need to be clear and uniformly accepted by all; they should run the gamut from diplomatic to economic to military sanctions. Their goal is to ensure the vitality and permanence of democracy for the entire Caribbean Basin.

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Nicholas Eberstadt

POPULATION CHANGE AND NATIONAL SECURITY

For better or worse, ours is a time of rapid and pronounced demographic change. For hundreds, if not thousands, of years before the Industrial Revolution, the pace of global population change was negligible. By some estimates population grew by roughly 14 percent per century between the years 1000 and 1750. At current rates the same proportionate growth is achieved in less than eight years.

Over the past few generations demographic change has not only radically altered human numbers but has profoundly affected their composition and global distribution. While the role of population in world affairs may seem self-evident, its relevance to state power and national security is often far from obvious.

Demographic change is but one factor limiting a state's ability to impose its will abroad or maintain itself at home. It might be—but need not be—a major consideration. Indeed, the impact of demographic change is often difficult to gauge. Demographic forces do not typically exert a single pressure on a society or state. Furthermore some demographic projections have proved famously wrong, and there is little reason to believe that new predictions will turn out much better.

Regardless of their exact calibrations, virtually all current population projections anticipate comparatively slow population growth in today's more developed regions (Europe, the Soviet Union, Japan, North America and Oceania) and comparatively rapid growth for the less developed regions (the rest of the world). With variations, these projections point to a continuation of trends evident since the end of World War II. If these trends continue for another generation or two, the

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implications for the international political order and the balance of world power could be enormous.

II

Perhaps no demographic trend in the postwar era has aroused as much public concern as the acceleration of population growth in low-income countries. Between 1950 and 1985, according to the most recent estimates of the United Nations' Population Division, the population of the more developed regions grew by about 41 percent. During that same period the population of the less developed regions increased by about 119 percent, or almost three times as fast. Although the tempo of growth varied by country and year, this "population explosion" has affected virtually every society in Africa, Asia and Latin America. The total population of these areas was thought to be growing by over 80 million annually in the late 1980s, and the rate of growth may have risen slightly in recent years.

Western policy circles often view rapid population growth in the Third World as a serious problem, sometimes a pressing one. Rapid growth of poor populations, by these arguments, can only speed the spread of poverty. Population growth, moreover, is envisioned as "eating away" at economic growth in poor countries, reducing or altogether canceling potential improvements in living standards and aggravating such conditions as poor health, malnutrition, illiteracy and unemployment.

The political implications of such trends are often described as ominous. By some assessments rapid population growth threatens to destabilize governments in low-income countries—through food shortages, for example, or by overwhelming the state with social service demands or by creating an unmanageable and volatile crush in urban areas. Some suggest rapid population growth increases the risks of a general confrontation between "haves" and "have nots" by contributing to a widening gap between rich and poor countries. Finally, it is sometimes said, by creating major new demands for global resources, rapid population growth in low-income countries pushes humanity toward an era of scarcity—perhaps toward an unsustainable overshoot of the environment's carrying capacity.

The vision of a population explosion consuming the world evokes powerful emotions. Because discussions of rapid pop-

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ulation growth in less developed countries seem at times to be governed by fervor of faith, it is often difficult to persuade the convinced through reasoning or empirical evidence. Yet recent experience suggests the consequences of rapid population growth are significantly different from those commonly supposed.

Take the notion that rapid population growth has prevented economic progress in low-income countries. The Development Research Center at the Organization for Economic Cooperation and Development (OECD) has recently published estimates of economic growth rates for a sample of 32 countries, whose populations comprise about three-fourths of the current world total. This sample includes such countries as China, India, Indonesia, Brazil, Bangladesh, Pakistan and Mexico (although, for want of reliable data, it excludes all of sub-Saharan Africa).

Estimated per-capita output for this sample rose by a factor of more than four between 1900 and 1987. Though the populations of the nine Asian countries in the sample more than tripled during this period, and the population of the six Latin American countries rose by a factor of nearly seven, per-capita output is estimated to have risen dramatically as well—by a factor of more than three for the Asian group and by nearly five for the Latin American group. Moreover, despite Latin America's highly publicized economic problems, per-capita income in the sampled Latin American countries—nations accounting for roughly three-quarters of the total population for Central and South America and the Caribbean—more than doubled between 1950 and 1987. Evidently, rapid population growth has not prevented major improvements in productivity in many of the societies most directly transformed by it.

These figures indicate per-capita growth accelerated sharply in most of the poor countries in this sample in the period after 1950—in other words, after the advent of the population explosion. But correlation does not imply causation. Some observers will be surprised that these two trends broadly coincided in the Third World. Their surprise derives in part from a misperception of the causes of the recent rapid rates of population growth in low-income countries.

The population explosion in low-income countries has been driven by a revolution in health. Between the early 1950s and the early 1980s infant mortality rates in the less developed

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regions fell by half, and life expectancy at birth rose by more than 16 years. By this particular, hardly unimportant measure, the "gap" between rich and poor countries narrowed appreciably in recent decades. Even in perennially troubled Africa, health progress appears substantial.

In itself health progress constitutes an improvement in living standards and may speak as well to conditions bearing upon health, such as nutrition, education and housing. Improvements in health may also directly affect a population's economic potential. Human capital, to be sure, corresponds with economic potential, not actual achievement. Like other sorts of capital it need not be used; it might be depleted through injurious policies. Be that as it may, the same forces driving population growth in poor countries appear to have increased the potential for widespread and continual material advance.

Such a cautiously optimistic conclusion might seem to be challenged by the current example of sub-Saharan Africa, where troubles abound and population growth rates—already the world's highest—have been accelerating. Many observers attribute the social, economic and political ills of the region directly to its rapid population growth. They may fail to consider other obvious factors central to the region's misfortunes.

Sub-Saharan Africa is currently characterized by what might be described as pervasive misrule. Ethnic animosities are widespread and sometimes incorporated into government policy by the dominant group. State involvement in the local economy is often far-reaching, and more often than not mismanagement and misappropriation are the norm. Some governments have set about systematically uprooting their subjects and overturning their livelihoods, even when such groups are on the barest edge of subsistence. Under such circumstances societies would be expected to experience serious economic problems, irrespective of any contribution from population growth. A population problem that proves independent of a society's actual demographic conditions is a problem misdefined.

What of the concern that continued population growth will place a devastating burden on the global environment, endangering the well-being of all? When public opinions are as strong and popular emotions as inflamed as they seem to be over global environmental degradation, a few words will

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unlikely change many minds. Yet concerns about impending resource exhaustion and environmental catastrophe have been voiced for more than a century. While the inaccuracy of past predictions (e.g., the prophesied English coal shortage of the nineteenth century or the U.S. "timber famine" of the early twentieth) does not invalidate current concerns, it should raise questions about why such dire forecasts have been so recurringly amiss.

Perhaps such assessments have paid inadequate attention to the economic process, which generated demand for resources. Between 1900 and 1987, by U.N. estimates, the world's population more than tripled, and its level of economic output, to generalize from the OECD's sample, may have increased more than a dozen times. Despite such growth of demand the inflation-adjusted prices of many primary products—ore, farm goods and the like—are lower today than at the turn of the century. By the information that prices are meant to convey, many resources would appear to be less scarce today than they were at the turn of the century.

How could this be? Quite simply, because the economic process prompts responses to shortage and scarcity. To oversimplify, the price mechanism identifies scarcity through higher prices, thereby encouraging substitution and rewarding innovation within the limits of human preference. Previously worthless materials are brought into use (bauxite, petroleum); previously plentiful resources are more likely to be husbanded (German forests).

Much remains unknown about the workings of the global environment; considerably more may be understood about the general workings of the economic exchange process. Uncertainties about the environment may call for prudence—but it is not clear in which direction prudence points. Until we better understand our surroundings it may be unwise to ignore the possibility that forceful initiatives to "save the environment" could have a more adverse impact on human populations and existing political systems than would the trends they fear.

III

At the national level population change is propelled by three demographic forces: fertility, mortality and migration.

The mathematics of demography can easily demonstrate fertility's tendency to dominate other demographic forces in the shaping of "closed" populations. In a world where the

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scope for migration is limited, and where mortality levels are relatively stable, fertility can be expected to act as the decisive force: driving changes in the local composition and global distribution of population. Yet, under all but the most catastrophic circumstances, neither wartime losses nor mass movements of people will have as much impact on a population's size and structure as will ordinary shifts and fluctuations in fertility.

On occasion a country's absolute level of fertility may motivate a government to adopt unexpected policies. Contemporary examples would include China's on-going campaign of population control and Japan's long-standing trade surpluses (which are indirectly related to the nation's low fertility level). For the most part, however, it is relative differences in fertility among groups *within* a country that give rise to events of political consequence. In some societies differential fertility may have contributed directly to the collapse of the state.

Consider the case of Lebanon. An unwritten 1943 agreement, later known as the National Pact, stipulated that political authority be shared among the country's "confessional" or religious groups in accordance with their strength in the national population. Top ministers were to be divided in a six-to-five ratio between Christians and Muslims (including the Druze sect), corresponding to the breakdown reported in the country's 1932 population census. Subsequent surveys, however, underscored a pronounced difference between Christian and Muslim fertility.

In the early 1970s the Christian community was estimated to have a total fertility rate of less than four children per woman, as compared with an estimated fertility rate of nearly six children per woman for the Muslim community. By 1975 Lebanon is widely believed to have become a Muslim-majority country.

The permanent refugee Palestinian population in the south of the country, great-power ambitions evidenced by its Syrian neighbor and evolving Israeli security measures all posed threats to the integrity of the Lebanese state. Nevertheless the Lebanese government's chances of persevering might have been greater if a changing population balance had not simultaneously undermined the rationale for the existing order.

Israel is another Middle Eastern country facing fertility-driven security pressures. Though vastly outnumbered by its Arab neighbor states Israel has succeeded in preserving, even

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enhancing, its security since its establishment over four decades ago. Israel occupied the territories of Gaza and the West Bank during the Six Day War of 1967 and has maintained administrative control of these areas ever since—a policy still viewed as essential to Israel's security prospects by both major blocs in Israel's Knesset, or parliament.

Though above replacement, and indeed higher than rates for almost all other contemporary Western populations, the fertility level of Israel's Jews has been distinctly lower than that of Israel's Arabs. Fertility rates for Palestinians in the occupied or administered territories are higher still. Even with stepped-up Jewish immigration from abroad and rapid fertility decline among Palestinians in the West Bank and Gaza, Jews could become a minority population in "Greater Israel" within a few decades.

Lebanon was, and Israel remains, a mass democracy. But even under governments that do not accord each adult a vote, the weight of numbers can affect the state's ability to augment and deploy power. The Republic of South Africa offers a case in point.

In 1951, as the laws and practices of "Grand Apartheid" were being formalized, South Africa's whites accounted for slightly more than one-fifth of the country's enumerated population. By the early 1980s whites accounted for less than a seventh of the population within the country's 1951 boundaries. By 2020, according to official government projections, the white population would amount to no more than a ninth of the total population, barring massive net migration of whites from abroad. Adjusting the projections to 1951 borders, whites might comprise less than one-eleventh of the country's total. South Africa's current liberalizations may not have been motivated by these trends, but they are surely informed by them.

Even more than South Africa, the Soviet Union can be viewed as a tangle of demographic problems. There, perhaps more than any other large country, trends in differential fertility bear directly on the government's prospects for projecting power and even maintaining authority.

Ethnic Russians accounted for barely half (50.8 percent) of the enumerated population in the U.S.S.R.'s 1989 census. Like South Africa, the Soviet Union assigns each citizen a state-determined race or ethnicity (in Soviet parlance, "nationality"). More than one hundred nationalities were recognized in the

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country's 1989 census. By that same census less than half of the U.S.S.R.'s non-Russian population reported itself to have a command of the Russian language; the proportion was somewhat lower than in the previous census. The Russian population is separated by language from the life of other Soviet nationalities, but not by language alone. Fertility differences are also evident, for example, between the U.S.S.R.'s Russian population and its populations of Muslim heritage.

Between 1959 and 1989 the U.S.S.R.'s Russian population rose by about 27 percent, but its nominal Muslim population grew by about 125 percent. This reduced the ratio of Russians to Muslims to 2.6-to-1. By early 1989 the U.S.S.R.'s population of persons of Muslim heritage may have exceeded 55 million. If these people are to be counted as Muslims (there is some debate about this), the Soviet Union would today contain the world's fifth largest Muslim population—outnumbering the populations of Egypt, Turkey or Iran.

Within the U.S.S.R.'s multiethnic configuration Russians have been the dominant element. As in the imperial order that preceded it, Russians have provided the Soviet Union with its official language and have supplied the overwhelming majority of political personalities within the country's ruling circle. Fertility change will directly challenge prevailing assumptions about the administration of Soviet power. Russians no longer constitute a majority of Soviet men of military age (18–25). Within a decade they will no longer form the majority of the working-age population, and by then may account for less than two-fifths of the country's children. Such changes have implications for Soviet military, labor and language policies. If the Russian Republic substantially underwrites living standards in Central Asian republics, as some analysts in the Soviet Union and the West believe, these changes will have major budgetary implications as well.

Fertility differentials in the Soviet Union do not consign the country to domestic disorder or reduced international stature. The impending shift in Soviet population composition will be gradual and therefore unlikely to set immediate constraints on the day-to-day options for the Soviet leadership. Over time, however, it may just as surely alter the boundaries of the possible. Today, when central authority in the Soviet Union seems to be relatively weak, centrifugal ethnic passions have come to the fore. Such forces are likely to be accelerated by the current momentum of differential fertility.

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IV

The twentieth century has witnessed a revolution in health. Very possibly, three-quarters of the improvement in life expectancy has occurred since 1900. So powerful have been the forces promoting improved health that even the advent of total war has been incapable of counterbalancing them. Despite terrible loss of life and attendant devastation, life expectancy was higher in post-World War I France than in the prewar period; higher in Spain after the Spanish Civil War than before; and higher in Japan and West Germany in 1950 than before World War II.

The recent histories of West Germany, Japan and South Korea, among others, demonstrate that the loss of significant portions of the working-age population—and the debilitation or episodic starvation of some considerable fraction of surviving cohorts—does not preclude rapid restoration of prewar levels of output or a rapid subsequent pace for material advance. Moreover, despite the severe privations its people suffered during and immediately after World War II, Japan currently has the longest life expectancy rates (and generally the lowest age-specific mortality rates) of any country—arguably suggesting that the Japanese are today the world's healthiest people.

In the future health progress might be halted by some cataclysm. Imaginably a plague or pestilence against which human populations could not develop immunity might strike. (Some current commentators believe the AIDS epidemic to be just such an affliction.) One need not look to a hypothetical future, however, for instances of interruption and even reversals of health progress in national populations. The Soviet Union and eastern Europe provide contemporary examples.

In the 1950s the Soviet Union enjoyed a rapid drop in overall mortality and a corresponding increase in life expectancy. So dramatic was this health progress that the United Nations Population Fund estimated life expectancy to be slightly higher in the Soviet Union than in the United States in the early 1960s; before World War II the American level is thought to have been about a decade and a half higher. In the mid-1960s, however, Soviet mortality reductions came to an abrupt halt, and death rates for men in certain age groups began to rise. As the 1960s and 1970s progressed, death rates

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registered a rise for virtually all adults, male and female. Mortality rates apparently also began to rise for Soviet infants.

Though the immediate official reaction was to withhold data on these trends, glasnost has provided evidence on their scope. Between 1969–70 and 1984–85, for example, Soviet death rates for persons in their late forties are now reported to have risen by over a fifth; for those in their late fifties, by over a fourth. Between the mid-1960s and the mid-1980s Soviet life expectancy at birth is now reported to have fallen by almost three years and to have declined for both adult women and men.

Although the Soviet Union was apparently the first industrial society to suffer a general and prolonged deterioration of public health during peacetime, it is no longer unique. Similar, though less extreme, tendencies have been reported in eastern Europe over the past generation. Between the mid-1960s and the mid-1980s life expectancy at one year of age fell by an average of slightly less than a year for the European members of the Warsaw Pact; for men at 30 years of age, life expectancy dropped by an average of over two years during the same period. According to the most recent estimates of the World Health Organization, by the late 1980s total age-standardized death rates (adjusted to the WHO's "European Model" population) were higher for the Soviet Union and the countries of the Warsaw Pact than for such nations as Argentina, Chile, Mexico or Venezuela.

A significant and pervasive rise in the number of deaths attributed to cardiovascular deaths figures prominently in these overall trends. Smoking patterns, drinking patterns and health care policies all played their part. Recent evidence suggests that severe environmental problems played a greater role than previously appreciated. Intangible and intrinsically immeasurable factors, such as attitude and outlook, may also have been involved.

Whatever the etiological origins of these trends, their implications for state power are unmistakably adverse. Rising adult mortality rates reduce the potential size of a country's work force. Between 1977 and 1988 the U.S. Census Bureau reduced its projection for turn-of-the-century population aged 25–64 in eastern Europe by about two million persons, or three percent. Insofar as the cohort had been born by 1977, and migration was negligible, the revision basically reflected a reassessment of the impact of health trends. With deteriorat-

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ing health, moreover, the economic potential of surviving groups might be constrained. To the extent that attitude and outlook factor in the decline, far-reaching problems of popular morale may be indicated.

There is nothing immutable about the U.S.S.R. and eastern Europe's unfavorable mortality trends. To the contrary: at a time of generally improving health potential, it would almost seem to require special effort to prevent health progress. Evidently, these states were up to the task. At the very least, they have proved to be unwilling or incapable of embracing the sorts of policies that would have forestalled such declines. One may wonder whether acquiescence in such long-term attrition does not in itself speak to a brittle ness or decay in presiding polities, and thus directly to political prospects for the states in question.

V

Paradoxically, even as economic development has been increasing the scope for, and role of, human mobility in material advance, the demographic significance of international migration has decidedly diminished. The Age of Exploration is finished; the territories of the globe are now divided among standing governments, virtually all of which limit the absorption of new citizens from abroad in some fashion. Many presume to regulate even the right to travel.

At the turn of the century gross emigration from continental Europe was averaging over eight million persons per decade, or a rate equal to roughly two percent of the area's population. In absolute terms the flow is much smaller today; in proportional terms, all the more so.

Opportunities for voluntary migration for most Third World inhabitants remain limited, given the reluctance of most foreign governments to welcome them as citizens. Increasingly, therefore, twentieth-century emigration has become a response to catastrophe—the *Aussiedlung* of millions of ethnic German refugees during and after 1946 into what became West Germany, or the movement of Jewish refugees into what became the state of Israel. Upheavals and turmoil have also given rise to a distinctly new form of "migration"—the long-term refugee, housed for decades in a country not his own. Millions of such people are found today in such places as Lebanon (Palestinians), Pakistan (Afghans) and Thailand (Cambodians). Modern waves of migration have often served

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as an unhappy barometer of instability and tensions in the emigrant's native land.

Though overall flows of migration have been small by comparison with world population, or even with global births and deaths, they have nevertheless been significant in particular areas. In the 1880s, for example, about 670,000 Scandinavian immigrants entered the United States; that relatively small figure accounted for roughly seven percent of the total population for the countries of origin and perhaps an even greater portion of the working-age population. The political consequences of even seemingly modest streams of migration can be profound. Between 1948 and 1967 net Jewish migration into Israel averaged under 50,000 persons per year. That inflow, however, was consonant with the emergence of Israel as the region's major military power.

For a country accepting migrants national security may be affected greatly by the manner in which the state encourages newcomers to involve themselves in local economic and political life. Saudi Arabia and other gulf states have inducted a total of several million foreigners to man and operate their oil-based economies; in some of these places, mercenaries from abroad hold important positions in the security forces. Showing little interest in bringing guest workers of Palestinian, Pakistani or Korean extraction into the social fabric, the governments of these countries must engage in a complex balancing game to assure national power is augmented more by the foreign workers' presence than domestic stability is compromised.

By contrast, the United States has taken a markedly different approach to immigrants. Exceptions noted (most significantly, the years of slavery), it may be fair to describe the traditional American attitude toward immigrants as universalist: predicated on the assumption that one can "become American" by developing a particular set of political, social and economic values. Without ignoring the problems of assimilation, the American experience appears to have been remarkably successful. Since its founding, more than 50 million persons have voluntarily emigrated to the United States. Though initially a product of an English-speaking population and Anglo-Saxon political theory, the American system proved capable of absorbing large numbers of persons from

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Ireland, Germanic cultures and successively more remote south and east European cultures.

More recently, non-European groups have figured prominently in the flow of persons adopting a new American identity. The ability to absorb and assimilate immigrants from diverse cultures has been at the core of American strength at home. And to no small degree, the United States' international power and security can be traced to its approach to immigration.

Inability to solve problems of migration or mobility, for its part, can constrain power and limit security of standing governments. Once again the Soviet Union can be used to make the point. For decades Soviet planners have attempted to move labor into western Siberia and the Soviet Far East, areas rich in exploitable natural resources. Today, however, Soviet planners can no longer take "surplus laborers" for granted. Soviet rates of labor force participation are unusually high (regardless of how well employees actually work). Moreover growth in the Soviet "European" population of working age is negligible today. The fastest-growing working-age population, found among predominantly Muslim Central Asian nationalities, has proved remarkably unwilling to leave rural communities, even in the face of considerable financial incentive. So pronounced is this aversion that two Central Asian republics, Tadzhikistan and Turkmenia, registered lower levels of urbanization in 1986 than in 1970. As long as Muslim populations are unwilling to move and work according to state plan, state power in the Soviet Union will suffer.

VI

Demography is the study of human numbers, but it is the human characteristics of those numbers that define world events. What is called a demographic problem may better be described as a moral and intellectual problem that takes demographic form. Indeed, divorced from an understanding of the people behind the data, population studies can provide little insight for statesmen, diplomats or generals contemplating an uncertain future.

Current population trends are redistributing global population and moving it away from today's industrial democracies. In 1950 two of the top five, and seven of the top 20, countries by population could be described as industrial democracies. Their combined populations accounted for nearly a quarter of

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this big-country total. By 1985 industrial democracies accounted for only one of the top five, and six of the top 20; they comprised less than a sixth of the group's total population. In the year 2025 only one of today's industrial democracies—the United States—is projected to rank among the top five, and only two—Japan and the United States—among the top 20.

In this future world today's industrial democracies would account for less than one-fourteenth of the total population of the big countries. Yet they would rank among the top in the world's population of geriatrics. By one recent U.S. Census Bureau projection, for example, today's industrial democracies would account for eight of the top 18 national populations of persons aged 80 and older by the year 2025.

Whatever their ultimate accuracy, current U.N. projections for the year 2025 depict an American population slightly smaller than Nigeria's, an Iranian population almost as large as Japan's and an Ethiopian population nearly twice that of France. Today's industrial democracies would almost all be "little countries." Canada, one of the Big Seven industrial democracies today (alongside the United States, Germany, Japan, Britain, France and Italy), would have a smaller population than such countries as Madagascar, Nepal and Syria.

In aggregate the population of today's industrial democracies would account for a progressively diminishing share of the world population. Whereas they comprised more than a fifth in 1950, they were only a sixth by 1985 and prospectively stand to be less than a tenth some thirty years hence. By U.N. projections the total population of today's Western countries would be considerably smaller than those of either India or sub-Saharan Africa in 2025 and would not be much greater than those of the Latin American and Caribbean grouping.

Projected shifts in birth totals are perhaps even more striking. Though these projections posit a slight rise in fertility in more developed regions, and a steady drop in less developed regions to near net-replacement levels, women in today's Western countries are projected to bear fewer children in total than mothers in the expanse from Casablanca to Tehran by the year 2020. They are projected to be bearing a third fewer children than mothers in Latin America and the Caribbean; less than half as many as mothers in India and less than a third as many as those from sub-Saharan Africa.

By these projections a very different world would seem to be emerging. Such trends speak to pressures for a systematically

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diminished role and status for today's industrial democracies. Even with relatively unfavorable assumptions about Third World economic growth, the share of global economic output of today's industrial democracies could decline. With a generalized and progressive industrialization of current low-income areas, the Western diminution would be all the more rapid. Thus, one can easily envision a world more unreceptive, and ultimately more threatening, to the interests of the United States and its allies.

The population and economic-growth trends described could create an international environment even more menacing to the security prospects of the Western alliance than was the Cold War for the past generation. Even without the rise of new blocs or alignments, one can envision a fractious, contentious and inhumane international order: liberal precepts could have steadily less impact on international action and belief in human rights could prove a progressively weaker constraint on the exercise of force.

Imagine a world, indeed, very much like the United Nations today, but with rhetoric in the General Assembly informing policy on a global scale, directing actions affecting the lives of millions of people on a daily basis. Even without an aggressive or hostile Soviet bloc, or the invention of new weapons, this world could be a very dangerous and confused place.

In our day the proximate guarantor of global security has been American force of arms, around which various security alliances have been forged. Security, however, is a matter not only of power but of the ends for which—and means by which—power is exercised. American power has been guided by a distinctive set of principles, broadly shared by all the governments and populations in today's Western countries. They include respect for individual rights and private property; adherence to genuine rule of law; affirmation of the propriety of limited government and a belief in the universal relevance of these principles.

These values and precepts are not necessarily shared, or are only intermittently acknowledged, by the states presiding over the great majority of the world's population. The distinction, in large part, defines our security problem today—and points to our security problems tomorrow.

How to increase the share of the world's population living under such "Western" values? Some writers have endorsed the notion of pronatalist policies for the United States and other

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industrial countries. Imaginative as such proposals may be, their results are likely to be of little consequence. To date pronatal efforts in Europe and elsewhere have proven expensive (as might be expected when the state gets into the business of "buying" children for their parents), punitive or both, and have had only a marginal long-term impact on fertility. (Under communism, Romania's Ceauşescu regime implemented forceful and harsh pronatalist policies, but these were unable to keep the country's fertility rates from dropping below replacement by the 1980s.) A government reflecting the will of the people, moreover, is unlikely to implement measures that would actually transform popular behavior in such an intimate and important realm as family formation.

A narrow focus on pronatalism also neglects and perhaps even undercuts the greatest strength of Western values—their universal relevance and potential benefit for humanity. Rather than devise means to raise birth rates in societies already subscribing to these values, the leading democracies might better contemplate how such precepts can spread in societies where they are still fundamentally alien.

It is often argued that these values—the notion of a liberal and open order—are culturally specific and therefore cannot or should not be promoted among non-European populations. Such a view, of course, is widely endorsed by governments hostile to these notions in principle, or unwilling to be constrained by them in practice. However these political values are not decisively limited to populations of European culture and heritage. Postwar Japan demonstrates this (although, to be sure, some specialists challenge the degree to which Japan is an open and liberal society).

Will future security prospects depend on the West's success in seeing two, three or many Japans emerge from the present-day Third World? The security of the United States and its allies need not be diminished by the economic and demographic rise of countries sharing, and defending, common political principles. To contemplate the Japanese example, however, is to appreciate the enormity of the task. Japan's present order emerged from highly specific and arguably unique conditions. Modern Japan's political system, after all, was erected under American bayonets in an occupied country after unconditional surrender. Whatever else may be said

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about the contemporary international scene, no world wars seem to beckon.

Even within Europe the transition to a liberal order remains far from complete. The diverse soundings from eastern Europe suggest that prospects for such a transition for the region as a whole are not imminent.

How to effect such a transition in current low-income regions of Latin America, Asia and Africa? Demographers are unlikely to provide penetrating answers to the question. To contemplate the question, however, is to consider the nature of the West's ultimate security challenge—a challenge that will be all the more pressing by current and prospective demographic trends.

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Robert D. Hormats

THE ROOTS OF AMERICAN POWER

In the aftermath of the war to liberate Kuwait, it is worthwhile reflecting on the conditions at home that made it possible for the United States to mobilize more than 500,000 troops, deploy an enormous armada of ships, planes and equipment halfway around the world, and wage a war of stunning technological intensity. America's capacity to execute such a vast campaign was no accident. Nor was it simply the result of the buildup of a great arsenal in the 1980s, although that helped to equip U.S. forces with the firepower to get the job done.

Such success was made possible by an underlying economy able to turn out great volumes of extremely advanced military equipment and software as well as men and women skilled in operating them. The U.S. economy would not have been capable of doing this but for a history of high American savings and enormous investment in education, industry, science, technology and the infrastructure to link these elements together. Savings and investments of earlier years were not intended primarily to bolster America's capacity to send well-equipped forces overseas, but they had the derivative effect of making that possible and, more generally, of strengthening the foundations of American global power—political and economic, as well as military.

It is an ominous sign for the future, then, that today U.S. domestic savings are close to a historical low and that investment in education, industry, infrastructure and vanguard technologies is inadequate. While the United States is likely to maintain military preeminence for years to come, savings and investment shortfalls raise concerns about America's future capacity to produce the resources, technologies and trained people necessary to maintain its current overwhelming military edge. Consequently, there is reason for alarm about this country's ability a decade or two from now to fight a gulf-type war—or any other war—so successfully and with so few

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Robert D. Hormats is Vice Chairman of Goldman, Sachs International and former Assistant Secretary of State for Economic and Business Affairs.

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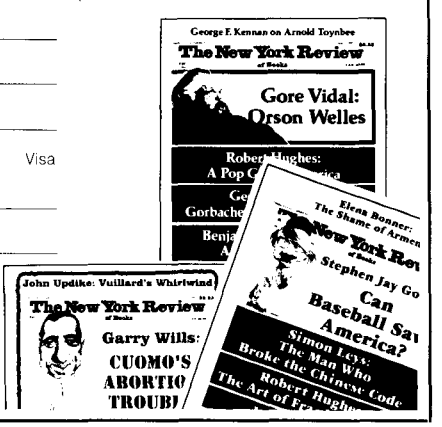
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casualties. Without this confidence the United States could become reluctant to act decisively, and other nations might become more willing to challenge American interests.

But even if the probability of the United States ever again having to take military action abroad were to fall to zero, domestic economic problems would still pose a serious threat to vital American interests. Economic strength will become an increasingly important aspect of national power, and in many cases the decisive aspect, in what promises to be a more competitive global commercial and financial environment. Geoeconomic competition will contend with, and perhaps surpass, geopolitical competition as the driving force in international relations.

The financing of the Gulf War is also grounds for concern. It was altogether appropriate for the United States to call on other members of the international coalition to underwrite a large portion of the war's costs, because they too had a vital interest in the success of Operation Desert Storm. It is nonetheless a fact that this was the first U.S. military operation in this century that America felt unable to pay for by itself. Without significant financial assistance from abroad, either a new tax increase or added government borrowing would have been required, as in past wars. That would have slowed an economy already in recession in early 1991; the very notion that these unpopular measures would have been necessary could have turned a few critical votes in Congress against the president, perhaps enough to deny authorization to use force in the gulf.

The United States ultimately received pledges of over $50 billion from its allies. But there can be no assurance that in the future U.S. intervention will be called for in areas of the world where so many other wealthy nations have parallel or common interests and will thus be willing to foot so large a share of the bill. Of course future U.S. leaders are likely to seek to mobilize coalitions to support their actions, but they will not wish to feel unable to move militarily without passing the hat.

If America's economy does falter, so will the underlying source of its international power. Thus this nation's central foreign policy priority in coming years and its central domestic priority must be the same: strengthening the American economy. Unless the United States reinvigorates in this decade the economic roots of its international power, it risks an erosion of self-confidence and of its international leader-

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ship at the turn of the century. With a weak economy and a society in conflict over how to allocate slowly growing resources, this nation would find it increasingly difficult to achieve its essential global objectives.

II

Much has been written since the autumn of 1989 about the need to create a new international order. That the United States must exercise leadership in such a process appears to be widely accepted in this country and abroad, especially following the Gulf War. That the United States is the only nation capable of projecting massive military power in support of a new order is similarly well understood. Less clear is whether America can satisfy the domestic conditions required to exercise the necessary international political and economic leadership.

The war against Iraq temporarily diverted attention from the problems of global economic competition, in which American preeminence faces formidable challenges. To some American observers it was comforting during the Gulf War to cite the lack of leadership, or resolve, of Germany and Japan or the disunity of the European Community as confirmation of the unique strengths of the United States in the post-Cold War era. But there is a risk that this renewed American sense of confidence and global importance will be used as an avoidance mechanism—a diversion from the compelling need to address deep-seated domestic economic and social problems.

American success at home and abroad over the last several decades can be traced to the strong foundation built by past generations. Their high savings and massive investments in schools, factories, farms, infrastructure and technology, as well as their leadership in creating market-oriented international institutions, underpin America's current strengths.

Post-World War II America generated tens of millions of new jobs, dramatically raised living standards, absorbed large numbers of immigrants, led the world in medicine, science and technology—and assisted in the reconstruction of Europe and Japan. This history is a monument to many years of forward-looking policies by private enterprise and government alike that augmented and enhanced the quality of America's human and physical capital. During much of the 1980s the U.S. economy—built on this strong foundation—continued to dem-

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onstrate remarkable strength despite egregious financial excesses.

But in recent years the roots of America's economic strength have been neglected. The pace of investment in future productivity and growth has slowed. The political process has sidestepped or postponed decisions on urgent economic issues: budget deficits, entitlements and financial reform. It has done so not because of a lack of political will, as some charge, but because of a multitude of strong, widely disparate political interests and genuine differences over how to tackle these problems. The result is political gridlock.

Many forces are powerful enough to protect their own special programs, even when these can no longer be justified on grounds of cost or effectiveness; few if any have the strength to achieve fundamental changes in national policy. As a consequence there is a marked political tendency to seek "soft" compromises, noncontroversial solutions that do not offend—to practice the politics of avoidance. But what is politically safe is often economically harmful. Difficult economic and social problems have been allowed to accumulate.

Unfortunately no economic alchemy can turn a mixture of harmful policies and practices into long-term prosperity. Low savings, sluggish investment, heavy consumer, corporate and government borrowing, deteriorating infrastructure, uneven quality standards and lagging competitiveness in key sectors: the American economy is strong enough to thrive under a few of these burdens for a short time, but not under so many for very long.

If the origins of these problems were purely economic, there would be little to fear. The United States has overcome serious economic problems in the past and emerged stronger than ever. But the roots of a number of these problems go far deeper—to the very heart of American society and domestic politics. They lie in a confluence of three factors: America's apparent inability to educate and productively mobilize to the fullest extent possible its vast human resources and, in particular, its failure to assimilate and gainfully employ a substantial portion of its large racial minorities; collapse of the intergenerational social contract, exemplified by a national preoccupation with short-term parochial interests at the expense of long-term national interests; and avoidance of individual and collective responsibility for making the controversial decisions needed to change course.

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Among the world's large industrialized democracies the United States stands out for its racial and ethnic diversity—the size of its minorities as a percentage of its overall population. Immigration has historically been a source of America's economic strength and dynamism. It has given this country a distinct economic advantage over others. Now this very diversity could become a source of political friction, social fragmentation and economic disarray unless the country can better educate, motivate and employ its growing population of blacks, Hispanics and new immigrants. American social performance and economic performance will increasingly be connected; if the country fails at the former, it is likely to fail at the latter.

The nation has had a historic commitment to the well-being of future generations. This has led to an implicit but long-standing social contract to save for the future, support a sound educational system, improve physical infrastructure and thereby leave a productive legacy. Today a pervasive short-sightedness has left this contract in tatters. Long-term national interests are giving way to short-term parochial interests. A failure to set long-term priorities has confronted government with the need to fund more programs than the nation is willing to pay for—hence large federal and state deficits. The most visible legacy of the 1980s appears to be the massive debt it has forced on the next generation.

In the past, individual responsibility was fundamental to assigning accountability in politics. Recently that notion has eroded; avoiding responsibility and controversial economic decisions has become common political and societal practice. And community responsibility, which underlies the proposition that Americans of any socioeconomic group can reshape their lives, has given way to a tendency for many segments of society to blame their problems on others, to employ the rhetoric of victimization rather than of enterprise or self-discipline and to look almost exclusively to government for solutions, rather than take the initiative themselves. The country no longer appears willing to hold its leaders or itself to high performance standards on economic matters.

If left uncorrected, these trends will increase domestic tensions, force the United States to turn increasingly inward and cause the nation to lose its economic vigor. They will diminish America's standing in a world in which improved

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living standards are the preoccupation of virtually all societies and a primary test of national success.

On the other hand, if pluralism, multiracialism and market capitalism can thrive in this new environment, and if a renewed commitment to investment for the future displaces the present preoccupation with short-term considerations, this country can prove to be as strong an exemplar of liberty over the next fifty years as it was a defender of liberty for the last fifty. It can reinforce its global influence and leadership in the post-Cold War world.

III

Rarely in this century has the United States had so great an opportunity to achieve its international political objectives. Just a few years ago the Soviet Union could thwart U.S. interests in many regions of the world. Before that, the legacy of Vietnam created mistrust of America in scores of nations. Today the clear attraction of democratic ideals and market economics to peoples everywhere, and success in the Gulf War, give this country an international political status that is virtually unchallenged and generally welcomed. At no time in recent memory have more nations been more comfortable with America in a global leadership role.

The opportunities for the United States to influence the course of global security and political and economic developments in this international environment are enormous. But there are nonetheless threats to its ability to do so—and many of these come from within.

It has become fashionable to argue that the major threat to U.S. power abroad results from "imperial overstretch." This largely misses the point. The critical problem for the United States is not the roughly five percent of GNP that it spends on defense, a figure that in any case is destined to decline. It is the failure of the United States to use the other 95 percent of its GNP with maximum efficiency.

The danger for the United States at the end of this century is not imperial overstretch but domestic underperformance—a failure to effectively mobilize America's considerable advantages and resources to meet the multiplicity of internal social, political and economic challenges of the 1990s and the attendant consequences of such a failure for America's global role. Unless the United States can end this period of prolonged

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economic underperformance, its foreign policy will suffer in myriad ways:

Can an America whose cities are in some parts indistinguishable from Third World slums, and whose already large underclass continues to fall behind the rest of society, maintain the moral authority required for world leadership when so many nations and peoples see a better quality of life as their overriding goal?

Can an America whose primary and secondary education system suffers from profound neglect, where the full economic potential of many of its citizens remains untapped, boost productivity and international competitiveness enough to remain a preeminant global economic power?

Can an America that continues to pass its debts on to the next generation, and fails to provide it with adequate education or infrastructure, avoid divisive intergenerational tensions that weaken its international resolve?

Can an America in which large numbers of blacks and other minorities fall outside the productive economy and become alienated from mainstream society avoid the kind of social conflict that forces a country to turn inward? Can such an America provide an example to other nations trying to cope with their own racial heterogeneity, ethnic diversity and increased immigration?

Can an America plagued by these internal conflicts generate the resources or domestic political consensus future leaders will require to play an effective global role? And if the United States is beset by such problems, will other nations have confidence in its long-term reliability as an ally or in its political staying power in global crises?

One need not look far back in history to be struck by past relationships between U.S. domestic developments and its foreign influence. Had the United States not undergone a civil rights revolution in the 1950s and 1960s, domestic cleavages might have undermined the consensus required to maintain a steady foreign policy; and this country's ability to mobilize minority groups as volunteers in the gulf and elsewhere would have been problematic. The country would have had far less political and moral authority in much of the industrialized and virtually all of the developing world in the 1970s and 1980s. It certainly would not have been an inspiration for the human

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rights movements that overthrew communism in eastern Europe, or for the student movement in China.

Had the United States not emerged from the economic drift of the 1970s to achieve vigorous growth in the 1980s, it would have had difficulty in producing or financing the military technology that convinced Moscow it could not continue the arms race and that enabled the American military to reverse the Iraqi invasion of Kuwait; market capitalism would have been a less compelling model for economic reforms in eastern Europe, Latin America and elsewhere.

IV

Walter Lippmann once cautioned that American foreign policy "consists in bringing into balance, with a comfortable surplus of power in reserve, the nation's commitments and the nation's power." If commitments exceed power, "insolvency" results; that leads to political dissension. It might be tempting to balance the equation by seeking to reduce commitments. But America will continue to have significant global responsibilities—even if it can achieve greater burden-sharing—that it cannot shed without compromising important interests.

America's commitments abroad are not simply a drain on its economy; many are vital to it. The United States exports 13 percent of its GNP, 20 percent of its manufactured goods and 30 percent of its farm production; millions of U.S. jobs depend on sales abroad; production by their foreign subsidiaries is integral to the success of many American corporations; intracompany cross-border trade is critical to the profitability of a wide range of U.S. businesses; and imported oil and commodities are vital to the U.S. economy. Political stability abroad, open sea-lanes, the sanctity of borders, stability of supplies and the ability to secure greater openness in the economies of trading partners all serve important U.S. economic and strategic interests.

To remain a preeminent economic, political and military power the United States cannot shrink from its essential international purposes and objectives; it must maintain an economy strong enough to attain them.

Conventional wisdom correctly holds that its people are a nation's greatest resource. Like other resources, they can be underutilized. That is the case in America today. The difference between vigorous and weak economic growth for the United States in the 1990s will be its effectiveness in develop-

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ing and mobilizing the skills and creativity of a far greater portion of its citizens.

If 15 percent of all the nation's factories or forests were destroyed in an earthquake or fire, the country would be in a state of crisis; yet for years the talents of roughly that portion of working age Americans have been wasted due to illiteracy, inadequate training or poor motivation—and this is treated with complacency.

The United States is in the midst of a dramatic demographic transformation. Hispanics, blacks and Asians together will account for more than half the growth in the U.S. labor force over the next decade. Almost nine million immigrants entered the United States during the 1980s, accounting for 40 percent of the nation's labor force growth, and the pace continues. Women of all racial groups and origins now account for over 60 percent of new work-force entrants.

At the same time, the number of working-age people in the United States will grow more slowly in the future than in the 1980s, as the 77 million baby boomers born between 1946 and 1964 are followed by a smaller number of labor-force entrants. Because the ratio of retirees to active workers will increase steadily, the productive output of new workers will have to increase significantly in coming years just to maintain current national living standards.

America has not done well at incorporating blacks and Hispanics into the work force or tapping their full productive potential. Yet significant increases in American growth in the 1990s—as well as a reduction in the size of the nation's economic underclass and improved social cohesion—will be difficult to achieve without higher levels of labor-force participation and productivity by men and women in both groups, many of whom are now on the economic sidelines. They, indeed all Americans, will have to perform knowledge- and technology-driven jobs to higher and higher standards in coming years.

The task of productively engaging a broader spectrum of citizens—minorities, disadvantaged youths from all groups and the elderly—challenges America's political, social and corporate structure. Together they must develop a comprehensive "life-cycle" strategy for investment in and better utilization of the nation's human resources, starting at childhood and running through an individual's productive years. Three related objectives demand priority attention: support for chil-

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dren early in life; improvement of education and training practices; and better engagement of older Americans in the workplace.

Support for young children

American society stands out from other industrialized democracies with respect to the deteriorating family structure and the number of poor one-parent households. The 1987 Metropolitan Life Study of the American Teacher found that among the most serious impediments to learning were parents leaving children alone after school, poverty at home and single-parent families. These factors put children at an early disadvantage, force the educational system to serve as a parental substitute and divert time from teaching basic skills.

One out of five children in America lives in poverty; many suffer from hunger and health problems; immunization is erratic, leading to the revival of childhood diseases once considered virtually eradicated. All these factors seriously impair learning. Programs to prevent unwanted teenage pregnancies, enhance prenatal and infant care and broaden childhood health care are basic.

Large numbers of needy children in the United States have no access to preschool programs; low pay and low status hamper the staffing of many centers. A dollar invested in preschool education saves six times the amount otherwise spent on special education, welfare and law enforcement. In France preschool for three- to five-year-olds is free; 98 percent of the country's children attend such schools, more than three times the American figure; preschool teachers hold the equivalent of a masters degree; directors are often pediatric nurses trained in public health and child development.

Even if moral considerations do not compel greater attention to young children, economic self-interest should. Today's neglected children are bound to impose an economic burden on American society for decades to come.

Education and training

The weakness of this nation's primary and secondary education system is widely recognized as an impediment to productivity growth. One observer puts the point succinctly: "The accumulated data on comparative education . . . point up two trends. First, compared with their peers in Asian and European countries, American students stand out for how little

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they work. Second, compared with Asians and Europeans, American students stand out for how poorly they do."

American secondary education is especially deficient in preparing students for jobs. In Germany the apprentice system serves as a transition from school to the workplace; more than one million young people annually enter a three or four year program in which they attend vocational schools part time while working part time for a company. In the United States the large number of high school dropouts and inadequately prepared graduates, particularly among minorities, means that many of America's future workers will lack the necessary skills to succeed.

Productively absorbing a steady flow of new immigrants in the 1990s will be especially important to the success of many of the world's industrial economies. Millions of political and economic immigrants are likely to flow into western Europe from the Soviet Union, eastern Europe and northern Africa. U.S. immigration will come primarily from Latin America, but Soviets and East Asians are also expected in large numbers. Even Japan, heretofore unwilling to accept workers from elsewhere in Asia, is likely to need the labor they could provide.

Having incorporated tens of millions of immigrants into its economy for over three centuries, America should be able to take significant advantage of new flows relative to countries such as Japan with greater social rigidities and less immigration experience. But the United States can realize this advantage only if its educational and social systems can assimilate new refugees as effectively in the future as in the past.

An increasingly open global economy poses another dimension to the challenge of education. The reduction of trade barriers since World War II, improved transportation and the global diffusion of technology mean that factories producing standardized goods can be built nearly anywhere and their output shipped inexpensively around the world. Workers in industrialized nations producing such goods compete against lower-wage workers in Thailand, Brazil or India who use basically the same equipment. Such competition compresses profits and wages. Jobs in such industries therefore are decreasing in the United States; where they do exist, companies keep salaries low in order to survive.

Less-educated workers—many of whom tend to work in these industries—have been especially hard hit. Since 1983 the

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unemployment rate among high school dropouts has been 10 to 14 percentage points higher than those with a high school diploma. That translates into a wider income gap between skilled and unskilled Americans, and more problems for the country's economic underclass. In a global economy workers can command high wages and obtain good jobs only by adding greater value than their counterparts abroad; to do so they must bring higher skills and knowledge to their work.

The global economy imposes additional pressure on business, since virtually any American advantage can sooner or later be duplicated abroad. A company and its workers must create a moving target for competitors; a product or technology needs constant improvement to sustain a margin of advantage. Because knowledge, as a component of virtually every product, is far greater than a decade ago, both workers and managers must not only enter their jobs with high-level skills but constantly upgrade those skills throughout their careers.

A comprehensive set of reforms is needed to strengthen the capacity of the U.S. educational system to turn out larger numbers of skilled workers and managers. These should include: giving students a greater choice among competing schools and programs; allowing "alternative providers," such as universities or corporations to operate and sponsor schools; expanding the number of merit-based schools in which success leads to bonuses for teachers and failure to closure; and emphasizing cooperative problem solving rather than lectures. In some German schools the same teachers stay with students for several grades to build close relationships—an experiment worth trying in the United States. A case can also be made to expand the U.S. school year. Currently it is 180 days; in Japan it is 240 days, in Germany 230.

Financing reforms cannot be left entirely to individual localities. America today is increasingly segregated by income groups. Poor areas often cannot afford to improve local schools; if not helped to do so, their students will fall further behind wealthier areas, exacerbating educational and subsequently wage gaps. Net new expenditures for education could be held to a minimum by realizing cost savings from "debureaucratization." Private school administrative costs are considerably lower than those of public schools; in the public schools, teachers made up 65 percent of staffs in 1960, but only 53 percent in 1988. If additional funds are still needed,

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dedicated education taxes would be justifiable as an investment in the future.

Retirement

American retirement programs were established for the most part when men and women did not live, or remain economically productive, for as long as they do today. At that time the U.S. work force was growing so rapidly that the economy as a whole could afford to support a group of early retirees. A concerted effort is now required by business and government to provide more flexibility in Social Security regulations, retiree benefits and working conditions to encourage older Americans to participate longer in the productive economy.

Mobilizing the growing pool of retired business people, engineers, computer experts and skilled workers to serve as instructors in secondary schools would help the educational system better prepare students for careers. These retirees also can help to replace the nearly 40 percent of public school teachers who will retire this decade. To fill this gap nearly half of all college graduates would have to become teachers; only ten percent now plan to do so.

Americans over the age of 65 receive nearly half of noninterest, nondefense government spending—up from one-third in 1965—through programs such as Medicare and Social Security. By using their expertise to train and thus increase the earning power of future workers, retirees would increase the tax flows available to support programs that ultimately benefit them.

V

Defects in America's educational system and a general lack of investment in human resources are part of a broader national myopia. Deep philosophical differences divide American public opinion on such issues as income distribution, taxes and the size and scope of government programs. The focus has been primarily on satisfying the immediate needs of competing constituencies. Budget politics in recent years have often been characterized by a "we versus they" debate among interest groups—frequently diverting attention from long-term priorities.

Lack of orientation toward the future is not limited to government. U.S. private savings during the first quarter of

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this century averaged over 16 percent of GNP; from 1950 to 1979 they dropped to an average of about seven percent; during the past decade they fell to roughly five percent. Per capita consumption, the other side of the coin, hovered between 56 and 60 percent of GNP from 1950 to 1970; over the last 20 years it has risen to a range of 62 to 66 percent of GNP. Higher per capita consumption has coincided with a surge in consumer debt. From 1960 to 1987 home-mortgage debt was between 36 and 46 percent of the value of owner-occupied real estate; in the last three years, beginning before the fall in real estate values, it soared to over 57 percent.

Many U.S. businesses behaved in a similar fashion—leveraging themselves through massive borrowing. Corporate debt in 1982 amounted to $1.40 for every dollar of GNP; by 1990 that figure had reached $1.90. Since 1982 corporate debt has grown at a rate of 10.8 percent annually while pretax profits have risen at a rate of only 7.7 percent. These are not sustainable relationships. A major deleveraging of the U.S. economy, characterized by a slower rate of borrowing and greater use of equity financing, is inevitable.

As borrowing was increasing, U.S. investment in plant and equipment relative to GNP was falling from its levels of the 1950s and 1960s; its percentage of GNP is now below that of most other major industrialized nations. For years America's competitors have devoted a larger percentage of their GNP to investment. In 1989, for the first time since World War II, another nation, Japan, outinvested the United States in absolute terms. And it is projected to do so for at least the next several years.

Nonmilitary research and development in the United States has risen substantially, up by 140 percent from over a decade ago. But as a percent of GNP it is still below levels attained in the 1960s and is smaller than in Germany or Japan. A 1990 National Science Foundation report expressed concern that for the first time in 14 years U.S. research and development expenditures did not keep pace with inflation.

Consider also the state of infrastructure. Between 1965 and 1985 U.S. public spending on roads, bridges and railways dropped from 2.2 percent of GNP to 1.0 percent; it remains at about that level, among the lowest in the industrialized world. Japan and Germany spend an average of 5 percent and 2.5 percent, respectively, on infrastructure. In this country dete-

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riorating highways alone are estimated to cost the economy $35 billion in delayed interstate commerce.

On the other hand, U.S. manufacturing productivity presents a far brighter picture. It grew almost three times faster in the 1980s than in the 1970s due to the successful restructuring programs of many American corporations and their increased attention to international competitiveness. U.S. manufacturing productivity has either kept pace with or outpaced other major industrial competitors. But weakness in U.S. investment places this country in danger of being overtaken in this area as well.

Intergenerational conflict will be one of the consequences of sluggish investment. Younger workers whose incomes grow slowly due to deficiencies in their education, or in corporate and public infrastructure, will resent being forced to transfer more and more money through payroll or income taxes to retirees. Many are already at a relative disadvantage because large numbers of older Americans have been the beneficiaries of a big rise in home prices in the 1970s and 1980s and enjoy low fixed-rate mortgages. In contrast, significant numbers of younger workers face the prospect of higher housing prices and higher mortgage rates. On average their salaries are likely to grow more slowly than those of their parents, limiting their ability to accumulate wealth. Poorer workers will object to paying taxes for Social Security, Medicare and other support programs requiring no needs test, meaning that the benefits will go to people better off than they.

Because voting strength will shift increasingly in their favor, the elderly will be in a strong position to resist large cuts in their benefits. Intergenerational struggle for resources—of which America got a taste in the 1990 budget debate—could be long and perhaps bitter. And if the problems of the underclass worsen, there will be an intense tug of war between advocates of that group and those of America's elderly. Middle-class working Americans, caught between the two, will claim with increasing justification that the government asks too much of them and provides too little.

Intergenerational and interclass resource allocation, and relative tax burdens, are likely to constitute central and divisive domestic political issues for years to come, without vigorous economic growth. The resulting social friction could sap America's international strength. The political and legislative compromises reached are likely to draw discretionary resources away from long-term investment requirements as well

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as from future defense, foreign assistance or other international needs.

VI

The country as a whole has not experienced the sort of crisis or shock that a democracy frequently requires to focus a critical mass of public opinion on the need for bold change. Its problems have come on gradually. Despite the savings and loan crises, the October 1987 stock market crash, plus a host of underlying concerns, a sense of urgency about or commitment to substantial alterations in policy or practice appear lacking.

For a number of years political leaders at federal, state and local levels have tended to shy away from controversial decisions on tough economic issues. Many political compromises of recent years have been widely understood in advance to fall far short of their claims to resolve major problems they purport to address: successive fictional "budget deals" from the start had no chance of reducing the deficit; "energy independence policies" and "anti-drug policies" promised but simply had not the content to produce significant results.

The country has come to accept a version of "no report card" politics: controversial decisions are often shunted off to commissions answerable to no one or to courts outside the reach of voters. Political preservation has spawned an aversion to telling voters bad economic news, confessing mistakes or cutting popular programs that no longer serve priority interests or are too expensive to fund. Citizens, in turn, have come to expect little candor from their leaders on economic matters. Much of this is of course not new; it is, however, damaging to the national interest when fundamental changes are required.

Breaking out of this pattern of shortsighted policymaking will require a systematic national effort to identify long-term national goals around which public opinion and private energies can coalesce. The European Community provides a good example. In 1985 its members set the end of 1992 as a target date to eliminate trade and financial barriers among them. They developed a detailed set of programs to accomplish this. The goal is now nearing realization. The United States has successfully employed a similar technique to set goals for, and energize, the space program and environmental cleanup.

Agreement on a newly defined set of American economic goals, target dates to attain them and steps that must be taken by the public and private sectors to do so would serve as a

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benchmark—a standard of performance—to evaluate programs, policies and even political leaders. These goals should not be mandated by law nor devised by academicians or professional planners. They should be established through a dialogue between the president, Congress and the nation's governors, and after a focused public discussion involving the private sector. Congress engaged in thoughtful debate prior to the vote on whether to authorize the use of force to evict Iraq from Kuwait. Debate on a similarly high plane over the course of the next two years, especially during the 1992 political campaigns, would help to sort out the priorities for strengthening the U.S. economy.

The debate should address the major issues: What should be America's educational goals—for literacy, reduction of high school dropouts, preschool program participation—and what types of programs must be instituted to attain them? Should the nation aim to boost nondefense research and development as a percentage of GNP to its mid-1960s highs, to the level of a competitor nation such as Japan, or to some other target level? How should that target be reached? What are the consequences of success or failure? Should the United States seek to raise private investment in plant and equipment to the level of Japan or Germany, or to some other target; if so, what must the government and private sector do to attain that goal?

Achievement of the country's most vital priorities and goals will require new social, political and economic alliances in the 1990s. Older and younger Americans must forge a new alliance. Retirees will need to invest more time and effort to educate younger people, and thus improve their productivity. This, in turn, will allow younger people to generate the tax revenues and provide political support for programs that benefit the elderly. Businesses and the economic underclass must forge a new alliance as well. The corporate sector will need to help train and improve the relevance of education for poorer and minority Americans. In turn, their future productivity will increase, as will their contribution to the competitiveness of U.S. industry.

Political leaders and their constituents will also need to form a new alliance. Leaders must be more willing to convey tough economic messages to constituents; constituents must be more willing to judge leaders on their long-term policies rather than their immediate gratification of political pressures. Taxpayers and government must forge a new alliance. Government must

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demonstrate that federal revenues are being used wisely and that government services are being efficiently delivered. It must reduce taxpayer burdens by finding new ways of encouraging private financing for infrastructure, limit tax subsidies that encourage personal borrowing and corporate debt financing and introduce new tax devices to stimulate savings and investment. Taxpayers, in turn, must be willing to provide additional funds when required to meet national priorities such as education, certain essential infrastructure projects and research in critical technologies.

Preoccupation with whether the United States is slipping vis-à-vis Japan and Germany has diverted attention from a more fundamental issue—the nation's failure to live up to its own past record of high economic performance. Even if the United States did not face intense competition from other nations, if the economic challenge of Japan and Germany were to collapse tomorrow, American living standards, international competitiveness and global influence would still be weakened if the nation's economy continues to underperform.

The opportunities before the United States in the late twentieth century are enormous. This country has more inherent human, entrepreneurial, natural resource and governmental strengths than any other nation—by a substantial margin. Its ability to maintain an unchallengeable defense capability, fulfill its global responsibilities and achieve its purposes in the fast changing world environment likely to confront it in coming years will require it to make the most of these strengths. The nation's capacity to maintain a strong economy and a healthy society will be critical to its global prospects—and will be severely tested. To succeed, the United States will require not only vision but also more investment, more savings, more emphasis on education and more ambitious goals for research, development and health care. It will require stronger, more purposeful economic leadership at all levels.

During the 1980 presidential campaign, candidate Ronald Reagan asked Americans to consider whether they were better off than they had been four years earlier. Now the country must consider whether, if it continues on its present course, it will be better off at the end of this decade than it is today.

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COMMENT AND CORRESPONDENCE

WAR POWERS

To the Editor:

In his article in the Spring 1991 issue of *Foreign Affairs*, Professor Michael J. Glennon argues that the way in which the United States became engaged in the campaign to liberate Kuwait was a major constitutional failure. President Bush's actions and the events they spawned, Professor Glennon posits, represent a "textbook example of how an audacious executive, acquiescent legislature and deferential judiciary have pushed the Constitution's system of separation of powers steadily backwards toward the monopolistic system of King George III." This conclusion, he leads his readers to believe, is compelled both by the Constitution's text and by the original intent of its Framers.

In fact, Professor Glennon's underlying assertion—that Congress has a preeminent role in the formulation of American foreign policy in general and in the use of military force in particular—is not compelled either by the Constitution's text or by its original meaning. To be sure, his arguments are within the well-established bounds of constitutional discourse on this issue. But he fails to discuss, let alone refute, the opposing arguments.

Professor Glennon represents but one of two traditional schools of thought on the roles of the President and Congress in foreign policy. The issues were originally joined in the "Helvidius/Pacificus" debate between James Madison and Alexander Hamilton in the 1790s. Thus our most serious concern about Professor Glennon's article is not that it espouses a constitutional viewpoint with which we happen to disagree, but rather that it fails fully to inform its readers of the existence of the opposing constitutional argument—an omission all the more regrettable since the essay is addressed to foreign policy practitioners and not specifically to lawyers.

Professor Glennon's argument is largely predicated on the Constitution's grant to Congress of the power "to declare war, grant Letters of Marque and Reprisal, and make rules concerning Captures on Land and Water." For him, the phrase to "declare war" encompasses most, if not all, aspects of military action, including events leading up to open hostilities. For example, he takes issue with the administration's early declaration of its intent to defend the territorial integrity of Saudi Arabia against an Iraqi attack.

Despite Professor Glennon's erudite discussion of the treaty power, it remains unclear, at least to these authors, where he would draw the line: Does every presidential pronouncement that might result in U.S. involvement in hostilities have to be approved by Congress? Under this approach virtually any action which might result in U.S. involvement in a war, save repelling an imminent attack upon the territory of the United States, would require congressional approval. In that case the president would become nothing more than a congressional agent.

There are two fundamental flaws with Professor Glennon's position. To

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begin with, in the early drafts of the Constitution, Congress was indeed given the power to "make" war, but the term was later changed to "declare." The phrases are not coterminous, and the Framers understood the difference. In eighteenth-century parlance, the latter referred to a formal declaration by one country that a state of war existed with another and brought about certain well-defined legal consequences vis-à-vis the participants, as well as neutral nations. In addition a declaration of war brought about a profound transformation in the relationship between the government and its citizens. For example, in time of war, soldiers could be quartered in private homes, and *habeas corpus* might be suspended. Indeed the vast domestic changes worked by a declaration of war are still clearly recognized today. When House Speaker Thomas S. Foley (D-Wash.) was asked why Congress did not declare war against Iraq, instead of merely authorizing the use of force, he replied that a declaration of war would have given the president vast new authority, including the right to impose censorship.

A strong case can be made that the Framers granted the power to declare war to Congress principally to control the domestic consequences of the use of military force, rather than to avoid foreign entanglements. To be sure, Professor Glennon is correct in pointing out that at least some Framers were concerned about possible future American entanglements in European wars and other foreign embroglios. However this problem was also resolved by the same constitutional artifice—granting Congress the power to declare war. Under international law, aggressive use of military power required such a declaration. The president's ability to use force was intended to be limited to defending U.S. territory, citizens and property abroad. This power, of course, is susceptible to broad definition and evolves as the international system changes. Indeed vital American interests in the world of the twentieth century are quite different from those in the days of the Framers. Aggressive wars, at least as a matter of international law, are no longer a viable tool of statecraft. However the president's ability to use diplomatic, economic or military means to protect U.S. security remains unchanged.

One can object that under this line of argument a president may escape all constitutional restrictions by labelling any use of force a "defensive" operation to protect American interests. The simple answer to this "straw man" is that any president who so abused his authority would pay a heavy political price—risking defeat at the polls, worsening relations with Congress and even impeachment. Furthermore Congress always retains the ultimate constitutional trump card—the ability to cut off future appropriations for any military venture.

Professor Glennon's apparent problem with this constitutional scheme is that it may prove difficult to apply. For example, he complains that President Bush was able to place Congress in a position where it could not refuse to support the president in ejecting Iraq from Kuwait. It was, he argues, the administration's promise on August 7, 1990, to defend Saudi Arabia—delivered by Defense Secretary Dick Cheney—that set the train "in motion." By the time Congress got around to voting on the use of force, January 12, 1991, many members of Congress "felt compelled to vote for a war they would not otherwise have supported because the alternative

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seemed worse." Professor Glennon argues that the use of those constitutional "tools" available to Congress is fraught with enough practical problems to render them too "unwieldy" to be effective checks on presidential power.

Assuming *arguendo* that Professor Glennon's diagnosis of congressional behavior is correct—we, of course, would like to believe that the reasons for Congress' support of the president were not so crass—his prescription for cure is all wrong. It is not that the tools granted to Congress by the Framers are ineffective, but that the members of Congress lack the political will to employ them. In fact it is the very lack of Congress' political will that makes it imperative to act faithfully to the original meaning of the Constitution which, in the foreign affairs area, gave Congress mostly post-hoc checks upon the use of executive power.

As a solution Professor Glennon suggests what has become a universal cure for all failures of legislative will: let the courts decide. Courts, however, are supposed to decide "cases and controversies." They are ill-equipped to act as the supreme arbiters of war and peace issues—as Professor Glennon's scheme would inevitably make them. And even if the courts could be shown to be the equivalent of strategic *literati*, this is not, of course, our constitutional design. In any case, even if the Constitution contemplated the scheme proposed by Professor Glennon—congressional ability to proscribe almost all uses of military force by the president—Congress must do so with proper political accountability and not by hiding behind the courts. To do otherwise would be more than just constitutionally suspect. It would be deplorable statecraft. Accountability is the sine qua non of self-government.

This is why our second major disagreement with Professor Glennon is caused by his exaltation of the War Powers Resolution. The resolution prescribes that upon committing troops to combat or in situations in which involvement in hostilities is imminent, the president must file a special report with Congress. Then Congress has 60 days to act. If it fails to vote in support of the president's action, the troops must be withdrawn. We believe that the resolution's biggest flaw, and it has many, is that it allows Congress to tie the president's hands. The reason this has not happened so far is that succeeding presidents have refused to accept the resolution's constitutionality and, when deploying military forces abroad, have never "started" its 60-day timeclock running. Professor Glennon, of course, would overturn this practice by letting the courts force the executive branch into invoking the resolution.

The lesson of the Gulf War is not that the War Powers Resolution is a viable option, and that it merely needs to be enforced by the courts. Rather, the lesson is exactly the reverse. The president, while believing that he had the constitutional authority to use military force unilaterally, did opt to let Congress have its political say. And, we believe, Congress acted properly. This is a better alternative to the War Powers Resolution from both a constitutional and political standpoint. The president is left free to execute his constitutional obligations, while Congress has a chance to exercise its constitutional authority in the scheme adopted by the Framers. Significantly, both branches are taking affirmative steps and must face the ensuing political consequences. It is to be hoped that this pattern of

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behavior will be repeated in the future. In this case, Saddam Hussein's aggressive military machine was not the only casualty of the Persian Gulf conflict—so was the War Powers Resolution.

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Professor Glennon replies:

I gather the correspondents believe the president has constitutional power to initiate war against any nation, at any time, for any reason, without regard to the projected magnitude of hostilities or the number of likely casualties, so long as he labels the action "defensive." Apparently they see the congressional role as beginning only after war commences: Congress can then nip at the president's heels politically, or, if it can muster a two-thirds vote, impeach him or cut off funds.

To advance this view they offer the reassuring but unsupported assertion that a "strong case can be made" that the Framers intended this result because they were concerned primarily about the domestic consequences of a declaration of war. In fact the original materials suggest—with unusual force and consensus—that the war power was placed in congressional hands both for foreign policy reasons *and* to safeguard domestic liberties, which the Framers saw as interrelated. Madison said: "Perhaps it is a universal truth that the loss of liberty at home is to be charged to provisions against danger, real or pretended, from abroad."

Not surprisingly, early Supreme Court opinions—decided when the Framers ran the government—uphold Congress' power to control presidential use of force absent a declaration of war (and ensuing domestic juridical parade-of-horribles that the correspondents posit *ipse dixit*). That case law is aptly summarized by former State Department Legal Adviser Abraham Sofaer: "The Supreme Court upheld the legality of undeclared war because Congress had chosen to proceed in that manner, not because of any executive power. Furthermore, the Court specifically declared that Congress could control the conduct of war even to a high degree, and that when it did so the executive acted unlawfully if it exceeded the legislature's limits."

The Bush administration, to its credit, did not make these correspondents' argument. The reason, I would guess with all due respect, is that it simply is beyond the bounds of mainstream dialogue on the subject. "The evidence," Professor Leonard Levy wrote in his widely praised book on original intent, "is abundant and easily obtainable to show that the Framers intended Congress to control the making and conduct of war, the Senate to control foreign policy, and the president to control the ceremonial functions of representing the nation in foreign relations, personally or through diplomats." Space limitations preclude elaboration; suffice it to note

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that—perhaps because of the interpretive weight he accords the Framers' intent—even Professor John Moore, second to none as a proponent of sole presidential prerogatives, concluded that an appropriate dividing line would "require congressional authorization in all cases where regular combat units are committed to sustained hostilities. This test would be likely to include most situations resulting in substantial casualties and substantial commitment of resources."

I therefore responded to the argument that the administration did make: that custom supported the statutorily unauthorized use of force against Iraq. Curiously, the correspondents ignore the administration's case completely. For the reasons given in my article, I too regard that argument as underwhelming: custom supports neither the administration's view nor the more extreme position of these correspondents. But for better or worse, the administration's argument represented the focus of the debate. Fairness to the readers seemed to me to require addressing the argument actually in play rather than one likely seen as a straw man set up only to be summarily dismissed.

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BOOK REVIEW ESSAY

Jeffrey E. Garten

RETHINKING FOREIGN ECONOMIC POLICY

THE WORK OF NATIONS: PREPARING OURSELVES FOR 21ST CENTURY CAPITALISM. By Robert B. Reich. New York: Knopf, 1991, 319 pp. $24.00.
THE END OF LAISSEZ FAIRE: NATIONAL PURPOSE AND THE GLOBAL ECONOMY AFTER THE COLD WAR. By Robert Kuttner. New York: Knopf, 1991, 304 pp. $22.95.

Since the Eisenhower years the pivotal debates about America's role in the world economy have been mostly an inside-the-beltway affair. Such issues as protecting the steel or auto industries, propping up the dollar, cutting off trade with Moscow, manipulating foreign aid or pressing Japan and Europe to buy more American farm products have rarely challenged our most deeply held beliefs about economics or business. Throughout the Cold War foreign economic policy was seen as a way to strengthen the nation and its allies in the East-West competition. America's goals would be achieved by strong U.S. companies stretching their tentacles to every corner of the globe. America believed in Adam Smith and tried to convert anyone who would listen.

There have been tumultuous changes in recent years: the United States' shift from being the world's largest lender to its biggest debtor, fierce technological competition from Japan, the growing economic cohesion of the European Community, the crumbling of the Soviet empire, the crises in America's classrooms and on its city streets. Amidst all this the big question is whether the fundamental tenets of past economic policies are still correct. Two new books answer with an unambiguous "no." Written for a truly national audience, together they constitute a frontal assault on mainstream American policy. If they do not cause America to think hard about where it is headed in the coming decades, it is unlikely that anything in writing can or will.

II

Robert B. Reich's very first paragraph sets the tone for his thinking. "We are living through a transformation that will rearrange the politics and economics of the coming century," he says. "There will be no national products or technologies, no national corporations, no national industries. There will be no national economies. . . . All that will remain rooted within national borders are the people who comprise a nation." Is this another lesson about economic interdependence, another call for bigger and better summit meetings? Definitely not.

The Work of Nations starts with the idea that post-World War II economic policy has focused on the big American corporations—the General Motors, the Westinghouses, the Colgate Palmolives. As long as such companies were doing well, says Reich, so were American citizens. At mid-century these big firms made and sold their products in America. They reinvested profits in their own communities and throughout the nation. Together

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with Washington and Big Labor they worked to create an economic climate in which the middle class could steadily expand, both in size and living standards. Everything fit well together: the big companies were in the business of mass production of standardized goods—from look-alike washing machines to identical black telephones—which, in turn, required a growing work force of moderately well-educated white and blue collar workers to staff corporate bureaucracies and routine factory jobs. U.S. companies were fully supported by Uncle Sam, who relentlessly pushed other nations to lower barriers to American sales and investment and dealt a strong blow to countries that threatened the likes of Standard Oil, Kennecott Copper or United Fruit.

But now, says Reich, all this has changed. "That the strength of the American economy is synonymous with profitability and productivity of American corporations is . . . an axiom on the brink of anachronism." Why? Reich cites two developments. First is the changing nature of business among the highly competitive advanced industrialized nations. Standardized mass production is giving way to products that are custom tailored: specialty steel mills are replacing mammoth plants; one-of-a-kind machine tools are being turned out routinely; plastics are molded to order; telecommunications networks are designed for individual corporate clients. As a result big companies are breaking up into autonomous, specialized units. They are rapidly moving away from mass employment of workers with only general skills; instead they need creative specialists with extensive skills and education.

Second, many of the big companies have lost their American character. They make "composite products" like microprocessors that contain chips from South Korea, but are designed in California and financed in Germany and Japan. Whether they locate their production in Philadelphia, Düsseldorf or Osaka depends on where they find the most talented and experienced workers. Whether they invest in Wall Street, London or Tokyo depends on where the returns are highest. There is no national allegiance. "I was asked the other day about United States competitiveness," says the president of NCR Corporation in *The Work of Nations*, "and I replied I don't think about it at all. We at NCR think of ourselves as a globally competitive company that happens to be headquartered in the U.S."

The combination of changing labor requirements and the rootlessness of the big companies leads Reich to talk about the growing disparity of economic prospects among Americans. It used to be, he recalls, that in America a rising economic tide lifted all boats. This is no longer true. Better than looking at the tide, consider the many vessels. Those which contain the engineers, the strategic planners, the management consultants, the lawyers, the investment bankers, the accountants and the public relations experts will have smooth sailing in the years ahead because their skills will be in demand by any big company operating in the United States, be it General Electric, Siemens, Toyota or Samsung. For the others—whom Reich estimates to be 80 percent of the American population—the prospects are bleak.

If the goal of economic policy is to enhance the wealth of a broad section of the nation, Reich says, then it is wrong to focus on the profits of companies with American names, American headquarters, American sen-

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ior managers and even American shareholders. Instead, the overriding policy objective should be to help the majority of Americans attain modern-day work skills, no matter who employs them. "It is not what we own that counts, it's what we do," he says. If the skills are here, investors from every continent will gravitate toward us. Good jobs with high incomes will result in a healthier tax base; this will lead to better schools, hospitals and laboratories. It would be a virtuous circle.

Robert Kuttner poses a different challenge to American orthodoxy. Whereas Reich finds traditional economic nationalism irrelevant to the well-being of most Americans, *The End of Laissez Faire* argues for more government control over the nation's economic policy combined with more international regulation to lend some order to the different drives of nations and to moderate mercantilism and protectionism. Kuttner is not taking aim at IBM; he is not dwelling on economic class distinctions; he is, instead, going for the jugular of America's free-market philosophy. He says, "It is high time to think seriously about the design of the post-hegemonic world, where sovereignty should be reclaimed from private institutions and where it should be pooled with new supranational institutions."

The End of Laissez Faire is based on the assumption that today's markets will not correct themselves in a way that is politically tolerable. There is either too much production or too little, as often happens in agriculture. Rollercoaster exchange rates play havoc with businesses trying to invest for the long term. New technologies such as robotics may improve manufacturing efficiency, but they can also displace jobs and destroy communities. The market must be cushioned by public intervention, says Kuttner. "The real debate is how to structure the departures from pure laissez-faire, not whether to have them."

Kuttner believes there was a time when an unbridled laissez-faire approach may have made sense for the United States—when the American economy was churning out ever higher standards of living, when American firms had free run of the global market and when economic and strategic policy were complementary weapons in the U.S. Cold War arsenal. But that era is over, he says. Economic competition has replaced military rivalry as the biggest threat to the United States, and Japan and the European Community "neither preach nor practice U.S.-style classical liberalism." Moreover, America's naïve and unilateral support of open markets has undermined the vitality of the economy. It has created a strong psychological block against close government-business cooperation and strategic economic planning, both of which he says are essential because Tokyo and Brussels are doing it. A free-market obsession has allowed massive foreign penetration without quid pro quo abroad; how, for example, could the United States have allowed foreign firms to take advantage of its deregulated telecommunications market without having equivalent access? It has led to ineffective half measures, such as import quotas for Japanese cars without a plan for Detroit's revival. America's zeal for a laissez-faire world economy—for example, in the never-ending push for more open agricultural trade or the arm-twisting of the World Bank to favor private investment over public infrastructure or the blasé attitude toward exchange rates—is a recipe for a highly volatile backlash from panicked governments desperate to regain some political control.

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III

How would Reich and Kuttner change existing policy? Reich wants to redefine the very notion of competitiveness. Set aside concerns about the budget deficit, the trade imbalance and foreign control of U.S. technology, he says. Focus instead on the work force and build up its skills. Reich would make no distinction between U.S. and foreign firms doing business in the United States. In today's world, he says, it is becoming impossible to identify "who is *them* and who is *us*." Nationality of the firm's owners is irrelevant, says Reich; Japan's NEC does far more for America by building a new semiconductor plant in this country than does Motorola by setting up in Kyoto; an American citizen does more for the country by taking home a Honda made in Ohio than a Pontiac LeMans, because the "Japanese" car contains far more American parts and labor than the "American" one. Any U.S. government support—subsidies, tax concessions, training programs, participation in Washington-backed research and development consortia—should be conditioned not on where the company is headquartered but on the answers to questions like these: Will the firm build up the skills of American workers? Will it be bringing the latest production techniques? Will it do its most advanced research on U.S. soil?

Kuttner's skepticism about free markets leads to an organized regulatory framework for trade and finance on a global scale, with a more active role for Washington in the management of the domestic economy. He advocates a more powerful world trade organization with enlarged enforcement powers, including the ability to penalize countries that run chronic trade surpluses; the evolution of the International Monetary Fund into a global central bank; common standards for international investment, including issues such as antitrust. Kuttner would be much tougher than recent administrations in licensing American technology to foreign companies without equivalent concessions.

With respect to U.S. trade policy he is a strong supporter of "managed trade," and uses the long-standing international agreement to control trade in textiles—the Multi-Fibre Arrangement—as the general approach that could be tailored to other chronically troubled industries. For Kuttner such arrangements should not be classified as protectionist, but as more orderly ways to deal with trade problems that are not being handled in a laissez-faire way to begin with. Steel is one example. He points to the existence of a byzantine patchwork of quotas, tariffs and subsidies. He asks why these could not be rationalized so as to phase out inefficient uneconomic production, thereby giving those countries that have a comparative advantage the best shot at eventually realizing it. Semiconductors are another case. He asks why there is a government-to-government agreement between Washington and Tokyo, but nothing on a more multilateral level to deal with the inevitable problems from South Korea and Taiwan.

It is not difficult to raise serious questions about some of these ideas. Reich, for example, may exaggerate the extent to which American and foreign companies have totally globalized their businesses and shed national identities. Perhaps today's IBMs and Sonys are tomorrow's prototypes, but in the early 1990s even international giants such as American Express, Boeing, Daimler-Benz and Mitsubishi Corporation—let alone so many smaller companies—have yet to cut their national umbilical cords.

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This said, however, change is surely coming with mind-boggling speed: technology is evolving faster than we can write about it; regulations are crumbling in finance, communications and transportation; trade and investment across borders outstrip the ability of government to track what is really going on, let alone act effectively to deal with the trends. The 21st century will arrive long before its time.

Kuttner, on the other hand, may be overestimating the feasibility of "organizing" U.S. economic policy, let alone the world economy. He debunks what he calls the utopia of laissez-faire but replaces it with an equally idealistic vision of governments' ability to tame economic markets, pursue common objectives and share responsibilities. But here, too, his basic point is on target. America is moving—in fact, has already moved—from a world in which it could afford to treat multilateral regulation cavalierly to one in which economic collaboration should be central to U.S. interests. The question is whether we fight the trend or lead it in a direction most congenial to American goals.

The more fundamental point is that we have here two contrasting visions of the future. Reich sees business pressures creating a seamless global economy requiring policy responses that public officials have not come close to contemplating. Kuttner sees political forces putting a break on interdependence and requiring a tougher nationalism than is currently practiced. Who is right? It is a measure of the enormous uncertainties overhanging the world economy that it is impossible to say. The 1970s were dominated by unexpected swings in oil prices, the 1980s by unintended debts and deficits caused by Reaganomics. Looking ahead, the forces of global integration will be competing with such separatist tendencies as the rapid evolution of trading blocks in North America, Europe and East Asia. In the next ten years the shape of the world economy will depend on such imponderables as what happens to economic growth; on whether Washington, Tokyo and Bonn manage their emerging differences over trade and monetary policy; on whether a collapsing Soviet Union or a turbulent China creates destabilizing global ripples not yet envisioned.

Despite their different scenarios for the future, however, both authors are ringing a loud alarm about where America is heading in the next century. Reich's most devastating warning is the potential impact of gaping income inequalities that are due to the new division of labor in a sophisticated world economy. He understates the problem: "The peace of mind potentially offered by platoons of security guards, state-of-the-art alarm systems and a multitude of prisons is limited." Kuttner is worried about a "slow bleed" of the U.S. economy, a continuous decline in living standards and debilitating dependence on others for essential capital and technology. If the authors are even close in their visions, these concerns will sooner or later become America's political preoccupations, overshadowing all else.

Both writers are wrestling with the most contentious issues of the global economy today, problems that by their very nature have no clear solutions. What is the meaning of economic sovereignty? What is the right balance between national autonomy and international integration? How much freedom should be given to market forces versus regulations? That these debates are flaring simultaneously on both national and global levels makes the answers that much more elusive.

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Perhaps the most fundamental issue raised is one that has been debated since the Articles of Confederation: the balance between public and private interests. Reich is hoping that Americans can rebuild a sense of community around a new idea of public concern for the 80 percent of the population that is losing out. Kuttner is pleading for Washington to adopt a policy of active strategic intervention in the economy. Each is deeply bothered by recent administrations and congresses that seem to have defined the public interest with little relation to the world around it, either with regard to the work force or the nature of foreign competition.

Whether the authors' projections are a bit off, whether their proposals are in 1991 politically impractical, whether they are asking for too much or too little from government, does it really matter? In their call for a rethinking of the purpose of U.S. foreign economic policy as a new era beckons, in their concern for how America should deal with awesome economic rivals with different political and economic systems, in the connection they make between America's eroding position in the global economy and its explosive social problems and, most of all, in their conviction that the new world order begins not in the Persian Gulf or the GATT but here at home—in all these matters, how could they possibly be wrong?

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RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Lucy Edwards Despard

General: Political and Legal

Andrew J. Pierre

MACARTHUR'S JAPANESE CONSTITUTION: A LINGUISTIC AND CULTURAL STUDY OF ITS MAKING. By Kyoko Inoue. Chicago: University of Chicago Press, 1991, 378 pp. $39.95.

In February 1948 General Douglas MacArthur presented the Japanese government with a new constitution for its country, written by his headquarters in ten days. Difficulties in the translation of the document by the Japanese brought out all the differences between the two countries on such basic questions as the relationship between the state and the people, religious freedom, the status of the emperor and the equality of the sexes in marriage. According to the author, the cultural and linguistic barriers were never overcome. Today the American text conforms with our political and cultural traditions, while the Japanese translation is congenial to that nation's values. Indeed, there is little agreement on the fundamental meaning of key clauses of the constitution. This is a fascinating book for serious students of Japan and cross-cultural problems.

OZONE DIPLOMACY: NEW DIRECTIONS IN SAFEGUARDING THE PLANET. By Richard Elliot Benedick. Cambridge: Harvard University Press, 1991, 300 pp. $27.95 (paper, $10.95).

Environmental issues have added a new dimension to multilateral diplomacy and will be of growing importance. This superb book on the negotiations leading to the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted in 1987 and revised in 1990, was written by the head of the U.S. delegation. It makes clear that governments will often have to act while there is still much scientific uncertainty, balancing the risks and costs of acting against those of not acting. Industry, scientists and the private sector will have even more important roles to play than in traditional diplomacy. This is an authoritative well-written work.

PREFERENTIAL POLICIES: AN INTERNATIONAL PERSPECTIVE. By Thomas Sowell. New York: Morrow, 1990, 221 pp. $17.95.

By "preferential policies" Sowell means government-mandated preferences and special considerations for legally designated groups, apart from the rest of society. Having written on race and affirmative action in American society he now turns to countries as diverse as India, Nigeria, Malaysia and Sri Lanka. There one finds similar preferences under such terms as "Africanization," "white supremacy" or "sons of the soil." Often the benefits of such programs, he concludes, disproportionately favor groups that are already more fortunate. Ethnic polarization ensues. This short book is an intelligent and provocative mix of politics, sociology and anthropology.

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TERRORISM, DRUGS AND CRIME IN EUROPE AFTER 1992. By Richard Clutterbuck. New York: Routledge, 1991, 231 pp. $45.00.

The author has written extensively on terrorism and inevitably this latest work covers some familiar ground. What is new and important is the discussion of the consequences of the opening of Europe's internal borders on such activities as drug trafficking, money laundering and computer crime. He suggests a number of specific steps that a more united Europe, post-1992, might take.

CATHOLICISM AND POLITICS IN COMMUNIST SOCIETIES. Edited by Pedro Ramet. Durham (NC): Duke University Press, 1990, 454 pp. $49.95 (paper, $21.95).

Many of the communist societies are no longer communist, changes in eastern Europe having put a terminal point on a 40-year period during which the Catholic Church was harassed and persecuted. The principal chapters describe that experience in six east European countries with accuracy and understanding, addressing Vatican policy and the situation of local Catholics. There are also chapters on the Soviet Union, China, Vietnam, Cuba and Nicaragua, and one of special interest on Karol Wojtyla's views on Marxism. John C. Campbell.

General: Military, Scientific and Technological

Gregory F. Treverton

THE TRANSFORMATION OF WAR. By Martin Van Creveld. New York: Free Press, 1991, 254 pp. $22.95.

This distinguished Israeli military historian's subtitle—"the most radical reinterpretation of armed conflict since Clausewitz"—may overstate, but not by much. He can be faulted for leaving plenty of loose ends and running well ahead of the evidence but certainly not for failing to provoke: future war will not be between nation-states but between "groups whom we today call terrorists, guerrillas, bandits and robbers, but who will undoubtedly hit on more formal titles to describe themselves." An uncomfortably multiracial America will be an earlier victim of these wars than the more homogenous Japan or Europe. If he never says what these messy wars will be "for," that is because the whole idea of rational purpose, like most of traditional strategy, "will be largely inapplicable."

TRAPPINGS OF POWER: BALLISTIC MISSILES IN THE THIRD WORLD. By Janne E. Nolan. Washington: Brookings, 1991, 209 pp. $29.95 (paper, $10.95).

This is a nice primer to an issue, long on the horizon, that emerged with Iraq's militarily trivial but politically potent Scud missile attacks on its neighbors. The book is most useful in framing the need for controlling exports against broader concerns about American competitiveness in a world no longer dominated by East-West rivalry, concerns that may argue for less controls, not more. Her suggestions are sensible, not just for strengthening the Missile Technology Control Regime but for taking Third World security seriously.

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TECHNOLOGY 2001: THE FUTURE OF COMPUTING AND COMMUNICATIONS. Edited by Derek Leebaert. Cambridge: MIT Press, 1991, 392 pp. $29.95.

Leebaert asked a dozen technologists and strategic planners from the computer world to peer a decade ahead. The result is fascinating and, happily, readable. Many of the issues posed are by now familiar—for instance, the role of the mainframe when a thousand encyclopedias' worth of information can be stored "for the cost of a ranch house in Minneapolis." Less familiar is the image of interaction between people and machines that is so continuous it could no more be turned off than our nervous system. And, Leebaert asks, what of our very definitions of image and reality: "What will happen if the data we transmit become as complex as ourselves?"

FINDING COMMON GROUND: U.S. EXPORT CONTROLS IN A CHANGED GLOBAL ENVIRONMENT. Washington: National Academy Press, 1991, 450 pp. $34.95.

This sequel to a 1987 National Academy of Sciences report, *Balancing the National Interest*, explicitly recognizes the trade-off between military security and economic goals in a world where the United States has much less exclusive control of technology. The Soviet Union is now less a target of controls than a critical participant with respect to the new target, the proliferation of weapons of mass destruction. The report calls for centralizing the control process within the U.S. government and, implicitly recognizing the force of economics, suggests the Commerce Department as the agency.

THE DYNAMICS OF DOMESTIC POLITICS AND ARMS CONTROL: THE SALT II RATIFICATION DEBATE. By Dan Caldwell. Columbia: University of South Carolina Press, 1991, 234 pp. $32.95.

SALT II's fate is of more than passing interest now that its successor, START I, looks like it too might have trouble being ratified, if it ever gets negotiated. Caldwell's telling of the story is detailed and he lets his interviewees speak for themselves (perhaps a little too much so). Negotiators in the Bush administration must surely agree with one of his conclusions: just as Carter should have quickly finished SALT II and ratified it as Nixon's treaty, so should they have quickly finished and ratified START I as Reagan's handiwork.

CONGRESS OVERSEES THE UNITED STATES INTELLIGENCE COMMUNITY, 1947–1989. By Frank J. Smist, Jr. Knoxville (KY): University of Tennessee Press, 1990, 336 pp.

The title begins in 1947 but the story starts with the congressional investigations of the mid-1970s. Smist makes good use of his wide-ranging interviews. The result is the most thorough review of oversight yet done. It is strongest in describing the tension between the executive and Congress, but also good at portraying the effect of the different personalities and styles of those who chaired the oversight committees. What remains less well understood is the political dynamics surrounding the oversight process within each house of Congress.

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EUROPEAN SECURITY IN THE 1990s: DETERRENCE AND DEFENSE AFTER THE INF TREATY. By Walter Laqueur and Leon Sloss. New York: Plenum Press, 1990, 214 pp. $30.00.

If this is the answer, what's the question? Readers wouldn't bother to find out except for the authors: Laqueur a distinguished scholar and Sloss an experienced former government official. Their book, a product of Los Alamos Laboratory's Center for National Security Studies, is a brief but thoughtful sweep across NATO's nuclear predicament; the other half of the book is useful source material. Their conclusion: there are military grounds but precious little political support for modernizing NATO's nuclear arsenal in Europe.

SCIENCE AND INTERNATIONAL SECURITY: RESPONDING TO A CHANGING WORLD. Edited by Eric H. Arnett. Washington: American Association for the Advancement of Science, 1990, 523 pp. $15.00 (paper).

These 28 essays, many by distinguished authors, are in search of a theme. They belie their title by not amounting to an analysis of how science is affecting international security. Rather, they are a sampler with an emphasis on weapons technology and arms control but ranging as far as Soviet policymaking.

General: Economic and Social

William Diebold, Jr.

THE WORLD TRADING SYSTEM AT RISK. By Jagdish Bhagwati. Princeton (NJ): Princeton University Press, 1991, 156 pp.

Strong views expressed in strong language mark this all-out defense of GATT. Bhagwati of Columbia University rebuts GATT criticisms based on concepts of unfair competition and managed trade, and condemns the aggressive unilateralism of recent American legislation. He has some forward-looking suggestions of how regional arrangements might be fitted into GATT. Coming from one of the leading specialists, this is a major addition to the continuing debate about trade policy going on in many countries.

ECONOMIC POLICY COORDINATION: REQUIEM OR PROLOGUE? By Wendy Dobson. Washington: Institute for International Economics, 1991, 162 pp.

Drawing in part on her own experience as a Canadian official, Dobson does a splendid job of clarifying a vital subject that is often obscured by fuzzy language. She shows very concretely what has—and has not—been done to coordinate economic policies among the main industrial countries, a process that often involves domestic as well as international negotiation. Arguing that even modest success warrants continuing the effort, she makes specific recommendations for improvement.

YEN FOR DEVELOPMENT: JAPANESE FOREIGN AID AND THE POLITICS OF BURDEN-SHARING. Edited by Shafiqul Islam. New York: Council on Foreign Relations Press, 1991, 243 pp. $18.95 (paper).

As the subtitle suggests, this book has a wide scope. Papers by Japanese, American and Filipino authors deal with a number of major issues, their

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implications often sharpened by the commentaries of others. The whole is well drawn together by the editor, who directed the work for a study group at the Council on Foreign Relations.

CROSSING FRONTIERS: EXPLORATIONS IN INTERNATIONAL POLITICAL ECONOMY. By Benjamin J. Cohen. Boulder (CO): Westview Press, 1991, 336 pp.

Cohen of the Fletcher School has not only written excellent books on a variety of aspects of international economic relations but has devoted much talent to breaking down some of the barriers that economists and political scientists have set up between their disciplines. The fruitful results of his work are well demonstrated in this collection of very good papers on such subjects as banking and American foreign policy, the dollar and American-European relations, Britain and the European Community, Reagan policies and American nationalism, the politics and economics of relations between debtors and creditors, the reform of the international monetary system and imperialism.

COMMERCE AND COALITIONS: HOW TRADE AFFECTS DOMESTIC POLITICAL ALIGNMENTS. By Ronald Rogowski. Princeton (NJ): Princeton University Press, 1989, 208 pp. $24.50.

An extraordinary amount of research has gone into testing an ingenious theory showing how the effect of foreign trade on domestic politics may vary according to a country's factor endowments (land, labor and capital) in ways quite different from what is frequently supposed. Although Rogowski, of the University of California, Los Angeles, stresses that he is studying only "one current" and that his conclusions are "conjectural and preliminary," he is sure that his theory "contributes powerfully to our understanding of politics." Many people will question some of his judgments about evidence, results and causative connections, but there is no doubt he forces readers to think anew about many issues.

AGGRESSIVE UNILATERALISM: AMERICA'S 301 TRADE POLICY AND THE WORLD TRADING SYSTEM. Edited by Jagdish Bhagwati and Hugh T. Patrick. Ann Arbor: University of Michigan Press, 1990, 280 pp. $39.50 (paper, $14.95).

Since at least the beginning of the Nixon administration some supporters of trade liberalization have advocated an aggressive American trade policy. Others have said the results would be protectionism and bullying. Both views are well represented in this volume focusing on what "is probably the most criticized piece of U.S. foreign trade legislation since the Hawley-Smoot Tariff Act of 1930," as Robert Hudec calls it in one of the most challenging of the several first-rate papers from a 1989 Columbia University conference.

TRADE AND TRANSITIONS. By Michael J. Trebilcock, Marsha A. Chandler and Robert Howse. New York: Routledge, 1991, 227 pp.

After reviewing the costs, results and frequent failures of the devices several industrial countries have used to cope with increased imports, three professors from the University of Toronto make a series of sensible recommendations for national and international measures that would improve matters. They take account of politics and different concepts of

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justice as well as of efficiency. Their distinction between measures intended to let workers and companies leave industries or stay in them is useful, but it would have been interesting to hear more about the problems of reducing the size of industries while making them more competitive. There is a lengthy bibliography.

THE BUNDESBANK: GERMANY'S CENTRAL BANK IN THE INTERNATIONAL MONETARY SYSTEM. By Ellen Kennedy. New York: Council on Foreign Relations Press (for the Royal Institute of International Affairs), 1991, 134 pp. $14.95 (paper).

Looking at the German central bank "as a political institution" with the overriding mission of "protecting the currency," a young American academic has produced a first-rate study that squeezes a great deal of material into not very many pages. A particular strength of the book is its analysis of how the Bundesbank functions as a largely independent entity within the German system. The additional pressures of Germany's major role in the European and world economies are looked at in some detail, and those of German unification and possible monetary unification of the European Community are foreshadowed.

DIE EUROPÄISCHE ZENTRALBANK. By Rolf H. Hasse and others. Gütersloh: Bertelsmann, 1989, 257 pp. DM20.

Well produced by several German professors, this is a thoroughgoing compendium of views and data on all the major issues raised by the proposal to create a central bank for the European Community.

PROSPECTS FOR THE EUROPEAN MONETARY SYSTEM. Edited by Piero Ferri. New York: St. Martin's, 1990, 260 pp.

In these papers from a 1989 conference at the University of Bergamo, a number of well-qualified European economists (about half of them Italian) dig into some major questions concerning the economic and financial aspects of "a central pillar of the European system."

THE WIDER WESTERN EUROPE: RESHAPING THE EC/EFTA RELATIONSHIP. Edited by Helen Wallace. London/New York: Pinter (for the Royal Institute of International Affairs), 1991, 285 pp. $59.00.

To think through the question of relating the European Community to its neighbors in the European Free Trade Association is to "touch on the fundamentals of the European integration process," says this volume's editor. These papers not only make clear her meaning but lay out in some detail issues not yet resolved that will have to be faced again as the EC deals with the countries of eastern Europe.

THE DYNAMICS OF EUROPEAN INTEGRATION. Edited by William Wallace. London/New York: Pinter (for the Royal Institute of International Affairs), 1991, 308 pp. $54.00.

"The greater the complexity of the process of European integration, the more important it becomes to rebuild acceptable conceptual frameworks." Inspired by that idea, social scientists from a number of countries prepared and revised these 16 interesting papers without yet reaching a conclusion.

THE NEW GLOBAL ECONOMY AND THE DEVELOPING COUNTRIES. By G. K. Helleiner. Brookfield (VT): Edward Elgar, 1990, 290 pp. $57.95.

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Drawing on years of close study, active advising and prolific publishing, Helleiner writes trenchantly and sympathetically about a number of the problems developing countries face in dealing with the world economy. He emphasizes "what economists do *not* know" and what they need to learn more about as these issues grow in importance.

THE GLOBAL DEBT CRISIS: FORECASTING FOR THE FUTURE. Edited by Scott B. MacDonald, Margie Lindsay and David L. Crum. London/New York: Pinter, 1990, 256 pp. $45.00.

If another book is needed on international debt, this may well be it. The geographical coverage is wide, except that U.S. debt problems are only mentioned occasionally. The nine authors of various backgrounds look forward as well as back and make balanced assessments of alternative approaches to a crisis that, the editors say, "is truly global."

TRANSATLANTISCHE BEZIEHUNGEN. Edited by Manfred Knapp. Stuttgart: Franz Steiner, 1990, 220 pp. DM68.

These seven essays by German academics from different disciplines on transatlantic relations give much of their attention to America's handling of economic and security matters in the Reagan years and are not uncritical of the results.

The United States

Gaaddis Smith

ORIGINS OF THE COLD WAR: THE NOVIKOV, KENNAN, AND ROBERTS 'LONG TELEGRAMS' OF 1946. Edited by Kenneth M. Jensen. Washington (DC): United States Institute of Peace, 1991, 71 pp. $9.95.

George Kennan's "long telegram" from Moscow to Washington of February 1946 is the single best-known dispatch in American diplomatic history. Its advocacy of containment and analysis of the sources of Soviet conduct soon appeared in the famous "X" article in this journal and shaped the conventional wisdom of a generation. Also in 1946 the British chargé in Moscow, Frank Roberts, sent London a long analysis of fundamental Anglo-Soviet incompatibilities. The Roberts text is here reproduced from the British Public Record Office archives. That September Nikolai Novikov, Soviet Ambassador in Washington, sent his long analysis to Moscow. In 1990, as an aspect of glasnost, the Soviet Foreign Ministry released the Novikov text, with Foreign Minister Molotov's underlinings. Novikov saw the U.S. government preparing for war with the Soviet Union as part of a drive for world supremacy. Although such sentiments differ little from what was appearing in *Pravda* at the time, it is fascinating to see them adumbrated in such detail in an important secret document. Having these three documents together in one publication is a boon to scholars and teachers.

THE CHURCHILL-EISENHOWER CORRESPONDENCE, 1953–1955. Edited by Peter G. Boyle. Chapel Hill: University of North Carolina Press, 1990, 230 pp. $24.95.

REAGAN AND THATCHER. By Geoffrey Smith. New York: Norton, 1991, 285 pp.

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Two radically different perspectives on the "special relationship" between Washington and London that now seems to have finally ended with the advent of John Major and George Bush. Churchill and Eisenhower came to know each other intimately during World War II. But after Stalin's death Eisenhower, the new president under the influence of John Foster Dulles, resisted Churchill's efforts to open a line to the new leaders in Moscow. Their correspondence documents the carefully couched debate that Churchill finally lost. The book by Smith, a columnist for the London *Times*, describes the surprisingly close relationship between two leaders who scarcely knew each other, but became political allies on most issues. While the relationship was more troubled than popularly supposed, on one issue—"doing business" with Gorbachev—Thatcher succeeded where Churchill failed, in engineering a "subtle but fundamental shift" in the president's attitude toward the Soviet Union. William G. Hyland

THE VOICE OF AMERICA: PROPAGANDA AND DEMOCRACY, 1941–1945. By Holly Cowan Shulman. Madison: University of Wisconsin Press, 1991, 282 pp. $37.50 (paper, $12.95).

An excellent account of how commercial broadcasting and advertising techniques were applied to American radio transmissions to Germany and France, and a valuable contribution to the early history of an important aspect of foreign policy. Shulman captures the personalities, creative improvisation and democratic convictions of the time.

THE NSC STAFF: COUNSELING THE COUNCIL. By Christopher C. Shoemaker. Boulder (CO): Westview Press, 1991, 152 pp. $29.95.

The author, who served on the staff of the National Security Council in the Carter and Reagan administrations, provides a valuable historical overview of the staff's uneven evolution and shifting roles. He believes in a strong NSC system and recommends measures designed "to transcend the idiosyncrasies of individual administrations and provide cohesion to national security decision-making."

SLEEPWALKING THROUGH HISTORY: AMERICA IN THE REAGAN YEARS. By Haynes Johnson. New York: Norton, 1991, 524 pp. $24.95.

A readable critique of the fatuous illusions foisted on a willing society by American leadership in the 1980s. The author, an experienced Washington journalist, combines a liberal commitment to the public welfare and a conservative disdain for the meretricious. The nation's stumbling domestic policies in the 1990s do little to discredit Johnson's analysis.

THE NEXT CENTURY. By David Halberstam. New York: William Morrow, 1991, 126 pp. $16.95.

The heart of this brief and powerful jeremiad is the accusation that American society is abandoning concerns for democratic opportunity and the productive strength of the nation in favor of sharp class divisions, greed and shortsightedness.

ONE OF US: RICHARD NIXON AND THE AMERICAN DREAM. By Tom Wicker. New York: Random House, 1991, 731 pp. $24.95.

Wicker's theme is that Nixon personified a lamentable twentieth-century American preference for power over ideas—"one of us" even while being

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"a man alone, a man who was not much loved because he could not love." The book's strength derives from the author's insights and years of direct observation rather than from new research. The attention to the domestic as well as the international achievements of the Nixon presidency is admirable.

GEORGE BALL, VIETNAM, AND THE RETHINKING OF CONTAINMENT. By David L. DiLeo. Chapel Hill: University of North Carolina Press, 1991, 265 pp.

George Ball has long been recognized as the one high official in the Johnson administration who consistently argued against the American military commitment to Vietnam. This careful study, based on Ball's private papers and other archival sources, explores both his ideas and his decision to try to effect change from within and not by spectacular public resignation and outburst.

FACES OF INTERNATIONALISM: PUBLIC OPINION AND AMERICAN FOREIGN POLICY. By Eugene R. Wittkopf. Durham (NC): Duke University Press, 1990, 391 pp. $45.00 (paper, $24.95).

Drawing on detailed opinion surveys conducted in 1974–86 by the Chicago Council on Foreign Relations and supplying a mass of tables and graphs, the author demonstrates the connections between partisanship, policy preferences and core beliefs (along a spectrum from cooperative to militant internationalism). The book is useful both for those seeking public opinion data in handy form and those interested in the methodologies of survey research.

THE IDEA BROKERS: THINK TANKS AND THE RISE OF THE NEW POLICY ELITE. By James A. Smith. New York: The Free Press, 1991, 313 pp. $24.95.

The subject of this book is far broader than the title suggests, being nothing less than a history of how the increasing complexity of government and changing attitudes toward "experts" as an identifiable profession gave rise to the twentieth-century think tank. There is a stimulating discussion of the interplay of liberal and conservative ideology. A useful appendix provides thumbnail descriptions of the history, character and agendas of 30 leading think tanks.

AMERICAN ANTICOMMUNISM: COMBATING THE ENEMY WITHIN, 1930–1970. By M.J. Heale. Baltimore (MD): Johns Hopkins University Press, 1990, 235 pp. $35.00 (paper, $10.95).

This succinct and sensible history shows how fear of "Reds" was linked in the nineteenth century to the destabilizing impact of industrialization and in the twentieth century to perceptions of global insecurity. An excellent concluding chapter explains the fading of anticommunism since the days of Senator Joseph McCarthy.

THE CULTURE OF THE COLD WAR. By Stephen J. Whitfield. Baltimore (MD): Johns Hopkins University Press, 1991, 261 pp. $35.00 (paper, $11.95).

A lively and well-documented account of how the Cold War both produced and was sustained by super-patriotism, intolerance and suspicion, and how these pathologies infected all aspects of American life in the

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1950s—entertainment, churches, schools. Older readers will remember and still be amazed; younger ones will find this a readable introduction to a bizarre aspect of the American past.

BENJAMIN O. DAVIS, JR.: AMERICAN. By Benjamin O. Davis, Jr. Washington: Smithsonian Institution Press, 1991, 442 pp. $19.95.

General Davis was the first black to graduate from West Point in this century (1936). He retired as a lieutenant general in the Air Force after a distinguished career. This moving autobiography, written with understated passion and without rancor, describes the appalling ostracism the author endured as a cadet and young officer and the positive changes after World War II that opened opportunity to all officers with diminished regard to race.

THE CARDINAL IN THE CHANCERY AND OTHER RECOLLECTIONS. By Alfred Puhan. New York: Vantage Press, 1990, 228 pp. $16.95.

Born in Germany in 1913, Ambassador Puhan came to the United States as a youth, played an important role in Voice of America radio broadcasts to Germany during World War II, and in 1952 joined the foreign service. He served as ambassador to Hungary, 1969–73. The title of this entertaining memoir refers to Joszef Cardinal Mindszenty's awkward residence in the American embassy at that time.

The Western Hemisphere

Abraham F. Lowenthal

CHILE AND THE UNITED STATES: EMPIRES IN CONFLICT. By William F. Sater. Athens (GA): University of Georgia Press, 1991, 249 pp. $30.00 (paper, $15.00).

An interesting overview of the contentious history of U.S.-Chilean relations. Sater argues that Chile in the early nineteenth century saw itself as a political and economic equal and as a cultural superior; thus much of Chile's relationship with the United States over the past century must be understood in terms of its efforts to cope with the obviously greater success of the United States. At a time when Chile seems prepared to be the United States' closest South American partner, this history is a useful reminder that "Chile and the United States still entertain expectations of the other, expectations that neither nation can fulfill."

ELUSIVE FRIENDSHIP: A SURVEY OF U.S.-CHILEAN RELATIONS. By Heraldo Munoz and Carlos Portales. Boulder (CO): Reinner, 1991, 109 pp. $22.00.

Chile's current ambassador to the Organization of American States and the director general of Chile's Foreign Ministry wrote this history of Chilean-U.S. relations, focusing primarily on the Pinochet period, when they were both academic social scientists prominent in the opposition. They argue that conflict and tension have usually prevailed in U.S.-Chilean relations. Bilateral friendship has been elusive because of cultural and diplomatic rivalries, economic conflict, U.S. interventionism and—during the Pinochet years—because Chile contravened the basic values of U.S.

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policy. Now that democratic politics has been restored in Chile, a new era in U.S.-Chilean relations may be possible.

INSIDE CENTRAL AMERICA: ITS PEOPLE, POLITICS, AND HISTORY. By Clifford Krauss. New York: Summit, 1991, 305 pp. $19.95.

An experienced foreign reporter, now a diplomatic correspondent for *The New York Times*, Krauss cut his journalistic teeth by covering Central America's strife during the 1980s. Having rejected his youthful sympathy for revolutionaries but never persuaded by the "obsessive, ideological fears" that drove U.S. policy in the Reagan years, Krauss tries to make analytic sense of his 13 years of first-hand impressions. He sees "few heroes, liberators, or freedom fighters," but lots of exploitation, violence and repression—and a history of disastrous U.S. policies.

THE POLITICAL ECONOMY OF BRAZIL: PUBLIC POLICIES IN AN ERA OF TRANSITION. Edited by Lawrence S. Graham and Robert H. Wilson. Austin: University of Texas Press, 1991, 303 pp. $35.00.

A useful compendium of papers presented during a year-long policy research project at the LBJ School, this volume examines Brazil's transition during the 1980s from authoritarian to democratic government, and argues that the choices and policies of the former military regime largely constrain the options for the "New Republic." Individual chapters focus on health, housing and urban policies, labor, export promotion, local and state government, congressional-executive relations, and social and economic policy and their effects on democratic consolidation. One limit of the book is that no biographical information is provided on its 15 contributors.

ESTRATEGIAS PARA EL DESARROLLO DE LA DEMOCRACIA EN PERU Y AMERICA LATINA. Lima: Instituto de Estudios Peruanos, 1990, 346 pp.

A distinguished group of Latin American social scientists and one U.S. colleague examine why democratic politics has become so widely appreciated in Latin America during the past decade, why it is so difficult to achieve and what may increase the chances of democratic consolidation. A strong focus on political institutions permeates the volume.

Western Europe

Fritz Stern

THE DUEL: 10 MAY-31 JULY, 1940: THE EIGHTY-DAY STRUGGLE BETWEEN CHURCHILL AND HITLER. By John Lukacs. New York: Ticknor & Fields, 1991, 258 pp. $19.95.

A most extraordinary work: a dramatic analysis of the 80 days when Churchill and Hitler faced each other; for Churchill and the civilization he saw threatened, the most terrifying moment. The book fastens on the two men, their characters, their perceptions, their decisions; in the retelling, there are important new details as well as new interpretations of familiar facts. An unusually nuanced portrait of Hitler, emphasizing his hopes that England would accept a compromise peace, that the old appeasers and "realists" would replace Churchill—and Churchill did have to contend with such people. A memorable portrait of the two leaders and a triumphant

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vindication of history as narrative *and* scholarship. Lukacs, a seasoned and ever-independent historian, with literary flair and psychological acumen, quotes and exemplifies Pascal's assertion: "We understand more than we know."

REMINISCENCES AND REFLECTIONS: A YOUTH IN GERMANY. By Golo Mann. New York: Norton, 1990, 338 pp. $25.00.

Thomas Mann was hard on all his children, Golo, born in 1909, included. The son, who became a distinguished historian and a literary and cultural critic, recalls the difficult years of growing up in the prosperous and celebrated Mann family and depicts his own hard march to independence. He remembers the major influences on his early life and thus provides a brilliant perspective on the Weimar years. He left Germany when Hitler came to power, left Europe when Hitler conquered it and eventually left America to return to Switzerland. His memoirs are interspersed with reflections; these are commentaries of a rich mind with a conservative bent. A wise witness of his own life and of his era.

THE POLITICAL THEORY OF SWEDISH SOCIAL DEMOCRACY. By Tim Tilton. New York: Oxford, 1990, 298 pp. $64.00.

An attractive and wide-ranging monograph that battles two common assumptions: that ideas or moral beliefs matter little in politics and that the success of the Swedish socialist party in retaining power over four decades—a success unique among European socialist parties—can be attributed to its pragmatism or revisionism. The author, an American political scientist, is an enthusiast for Sweden's socialist achievement, untouched by recent skepticism about "the Swedish model." His book explicates the principal ideas of Swedish socialism, from its foundation in the nineteenth century to Olof Palme. The book has some actuality because the Swedish socialists accepted the essential value of the market while seeking ways to make society more egalitarian and equitable. What Gunnar and Alva Myrdal wrote in 1935 still has resonance: "We cannot become poorer by taking better care of our human capital."

PÉTAIN'S CRIME: THE FULL STORY OF FRENCH COLLABORATION IN THE HOLOCAUST. By Paul Webster. Chicago: Ivan R. Dee, 1991, 225 pp. $24.95.

A British journalist retells the familiar story of Vichy's preemptive antisemitic measures, of French complicity in the war against the Jews. His principal themes are Pétain's personal responsibility and the pervasive antisemitism that sustained his policies. The Catholic Church was divided: the many acts of individual courage saved the lives of 250,000 Jews. This derivative if readable book emphasizes the decades of postwar denial, when French textbooks and public opinion remained largely silent about Pétain's culpability and that of many of his fellow citizens.

BATTLEGROUND BERLIN: DIARIES 1945–1948. By Ruth Andreas-Friedrich. New York: Paragon House, 1990, 261 pp. $18.95.

A record of Berlin life from the end of World War II—the rubble, the fear, the Russian vengeance—to the beginning of the division of the city and the Cold War. Andreas-Friedrich belonged to an anti-Nazi group and one of her themes is contained in the words of her best friend, a fellow

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resister, who was accidentally shot by a British patrol: "It's much easier to be in solidarity *against* something than *for* something." Poignant, immediate impressions of hunger, confusion, bitterness and very little hope.

THE ARCHITECT OF GENOCIDE: HIMMLER AND THE FINAL SOLUTION. By Richard Breitman. New York: Knopf, 1991, 335 pp. $23.00.
HIMMLER. By Peter Padfield. New York: Henry Holt, 1991, 656 pp. $29.95.

Breitman's book is a historian's carefully researched work, based on a vast array of sources, documenting Hitler's and Himmler's responsibility for the murder of European Jewry. The book details the planning and the improvisations, but emphasizes the former and Himmler's fanatical hatred of the Jewish race as the determinative cause of the Holocaust. Dealing with a charged controversy, Breitman makes a powerful case that by March 1941 "the Final Solution was just a matter of time—and timing," i.e., that the Holocaust was not a reflex of Hitler's fear that the war in Russia could not be won. Breitman argues that the Wannsee Conference merely ratified the plans and instructed other agencies to cooperate. Breitman records the instances of resistance or opposition, but notes that of course the cooperation of thousands (many still alive and never tried) and the complicity or silence of millions were needed to carry out the murder. While not a full biography, the book concludes that Himmler's "brutality was more learned than instinctive or emotional"—a methodical murderer impelled by racist dogma.

Padfield provides a very full-length biography, embedded in historical context, some of it erroneous and much of it familiar. He attempts a psychological portrait of Himmler and sheds new light on his private life. The horrors of the camps and executions are depicted through the voices of murderers and victims. The final efforts of Himmler to find an accommodation with the Western allies and Hitler's fury at the betrayal round out the grim summary. Padfield's book covers more ground than Breitman's, less persuasively and economically.

The Soviet Union and Eastern Europe

John C. Campbell

STALIN IN POWER: THE REVOLUTION FROM ABOVE, 1928–1941. By Robert C. Tucker. New York: Norton, 1990, 707 pp. $29.95.

In the second volume of his massive biography, Tucker continues his combination of narrative history and inquiry into Stalin's psyche. He believes that his subject lived with the fiction of an idealized Stalin—revolutionary hero, true successor to Lenin, etc.—which the real Stalin, a far cry from the ideal, attempted by any and all means to turn into reality. We shall never know Stalin's innermost thoughts, yet Tucker is persuasive as a historian probing the forces that made history. A large part of the study is devoted to the great purge, show trials and terror by which Stalin killed off the old Bolsheviks, destroyed the power of the Communist Party and terrorized the population. Domestic and international issues are thoroughly explored, especially as they fit into the pattern of Stalin's genius

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and accumulation of power. Based on years of research and new revelations from Soviet sources, the book is a splendid achievement.

STALIN'S PROSECUTOR: THE LIFE OF ANDRE VYSHINSKY. By Arkady Vaksberg. New York: Grove Weidenfeld, 1991, 384 pp. $19.95.

A frank, honest and totally devastating biography of the man who held center stage as prosecutor in the Moscow purge trials of the 1930s. The author managed to gain access to many hitherto inaccessible documents, including Vyshinsky's personal archives. The record shows Vyshinsky to have been even more ruthless and unprincipled than he was generally thought to be. The book covers adequately his later years as Stalin's diplomatic troubleshooter, foreign minister and ambassador to the United Nations, but the real story is that of the trials and his role, as Stalin's henchman, in sending so many to their deaths.

THE LONG PRETENSE: SOVIET TREATY DIPLOMACY FROM LENIN TO GORBACHEV. By Arnold Beichman. New Brunswick (NJ): Transaction, 1990, 296 pp. $32.95.

Beichman takes his stand, as he has over a long career in observing international affairs, with those who see the Soviet Union as bent on world domination and ready to lie, cheat and commit any crime to get there. His book contains hundreds of citations and quotations to illustrate and prove that point, plus hundreds more to show how many people were taken in by Soviet deception and their own wishful thinking—not only the likes of Joseph Davies and Franklin Roosevelt but also Truman, Churchill, Nixon, Kissinger and Reagan. His main argument is about negotiation and treaties: Why make treaties with the Soviets when they hold the all-time record for breaking them? Beichman is on firm ground in describing Soviet negotiating practices and treaty violations, although he seems unwilling to concede that some agreements have been kept, some have benefited the West and some have been advantageous to both sides. Have the new policies of Gorbachev (e.g., withdrawal from Afghanistan) changed the author's views? Beichman remains deeply pessimistic because, he says, there is no fundamental democratizing change in the U.S.S.R., no abandonment of Marxism-Leninism.

GETTING TO THE TOP IN THE USSR: CYCLICAL PATTERNS IN THE LEADERSHIP SUCCESSION PROCESS. By R. Judson Mitchell. Stanford (CA): Hoover Press, 1990, 237 pp. $23.95 (paper).

This is an exercise in classic Sovietology. Fellow Sovietologists should welcome it as a contribution to their art, and some may see it as a challenge, for it takes issue with many views to which the author gives the label of conventional wisdom. Mitchell traces in detail how successive leaders of "mature" (post-Stalin) socialism gained and consolidated power, combined new policies with key appointments and organizational changes, then reached limits and a status of drift, setting the stage for new leadership. The system itself does not change. A central question for today is whether the Gorbachev regime fits the pattern or will the systemic crisis disrupt the cycle. Mitchell maintains that Gorbachev, with his "non-revolution" from above, has in fact consolidated power according to the historic pattern and that the basic elements of the system are intact.

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EXIT: TOWARD POST-STALINISM. By Pavel Campeanu. Armonk (NY): Sharpe, 1991, 188 pp. $39.95.

A wide-ranging critique of Stalinism, which the author calls "premature anti-capitalism," as it existed in all the communist countries, the system of total control by an arbitrary central power over both economy and polity. The study is marked by a number of sharp insights and new ways of defining familiar phenomena; it also devotes much space to clothing simple truths in complicated terminology. The author, a former Romanian communist official, has added an epilogue giving a brief assessment of the 1989 Romanian revolution in the context of the general themes of the book.

MEMO 2: SOVIETS EXAMINE FOREIGN POLICY FOR A NEW DECADE. Edited by Steve Hirsch. Washington: Bureau of National Affairs, 1991, 322 pp. $22.95 (paper).

A second batch (a prior volume was noted in *Foreign Affairs*, Winter 1990/91) of translated recent articles from the leading Soviet journal on international affairs, plus two other articles written for this volume. There is no better way to catch the essence of "new thinking" out on the frontiers of Soviet foreign policy. At times one has to keep reminding oneself that these articles—one on eastern Europe in particular—were actually written and published in the U.S.S.R.

THE NEW SOVIET JOURNALISM: THE BEST OF THE SOVIET WEEKLY *OGONYOK*. Edited by Vitaly Korotich and Cathy Porter. Boston: Beacon Press, 1991, 224 pp. $12.95 (paper).

The weekly *Ogonyok*, under the editorial guidance of Vitaly Korotich, who was not always so bold, has been in the forefront of trenchant journalism exposing the ills of Soviet society, past and present, and supporting the need for honesty and reform—generally backing Gorbachev and trying to keep him from backsliding. This collection of translated articles on a wide variety of subjects—crime, alcohol, ideology, Afghanistan, antisemitism and others—is a representative sample.

SOVIET FOREIGN ECONOMIC POLICY UNDER PERESTROIKA. By Leonard Geron. New York: Council on Foreign Relations Press (for the Royal Institute of International Affairs), 1990, 126 pp. $14.95 (paper).

A generally upbeat assessment of the Gorbachev regime's declared intentions and actual accomplishments—which are much less—in bringing the Soviet Union into the international economy. Geron recognizes formidable obstacles and knows that reforming foreign economic relations depends on the success of domestic reform, but he sees the direction of change as irreversible. In relatively few pages he packs much information and includes some useful tables.

NATSIONAL'NO-OSVOBODITEL'NOE DVIZHENIE: TEORIYA I PRAKTIKA (The National Liberation Movement: Theory and Practice). By A. V. Kiva. Moscow: Nauka, 1989, 331 pp.

A critical reexamination of the pre-Gorbachev dogma on the prospects for socialism in developing countries. The book acknowledges the overriding fact that states that chose socialist orientation have experienced economic stagnation, political turmoil and bureaucratic strangulation. The

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author, a senior staff member of the Oriental Institute, U.S.S.R. Academy of Sciences, concludes that radical noncapitalist policies offer limited prospects compared to incremental change favoring private entrepreneurship. Although seemingly obvious, the book is a good example of the conceptual revolution underlying changing Soviet behavior in the Third World. Elizabeth K. Valkenier

GLOBAL'NYE INTERESY I NATSIONAL'KYI EGOISM: EKONOMICHESKII ASPEKT (Global Interest and National Egoism: The Economic Aspect). By E. E. Obminsky. Moscow: Mezhdunarodnye Otnosheniya, 1990, 302 pp.

The deputy foreign minister in charge of restructuring Soviet trade policies articulates the new thinking guiding the most radical and pro-market reformers in Gorbachev's U.S.S.R. His book is as much a plea for reforming attitudes and assumptions as a blueprint for new practices. The portion of text dedicated to explaining the existence and workings of global market forces demonstrates how much the Soviets have yet to learn as they try to integrate into a world economy. Elizabeth K. Valkenier

SOVIET INTELLECTUALS AND POLITICAL POWER. By Vladimir Shlapentokh. Princeton (NJ): Princeton University Press, 1991, 321 pp. $29.95.

Shlapentokh is a knowing guide to the past three decades of the political influence of the intelligentsia—from the liberal trends of the 1960s to the repression and conformity of the 1970s and finally to the emergence of the alliance with Gorbachev, an alliance now frayed at the edges. His book is impressive because he writes not just of trends but of hundreds of individuals in science, literature and the arts. He has a near-encyclopedic knowledge of who are the leading intellectuals, how they have reacted to changes in the political climate and how some of them accepted the risks and paid the price of dissidence. He makes his own independent judgments.

FATAL HALF MEASURES: THE CULTURE OF DEMOCRACY IN THE SOVIET UNION. By Yevgeny Yevtushenko. Boston: Little, Brown, 1991, 368 pp. $21.45.

This is a collection of translations of selected Yevtushenko writings, mainly from the glasnost period, but including earlier ones—some of which could not be published at the time. There is a great variety—articles, interviews, open letters, travel notes, speeches, essays, excerpts from prose, tributes to fellow writers and artists—everything but poetry. All of it is intended to illustrate both his literary talent and role as an advocate of freedom of expression and human values.

TOWARD INDEPENDENCE: THE BALTIC POPULAR MOVEMENTS. Edited by Jan Arveds Trapans. Boulder (CO): Westview Press, 1991, 166 pp. $27.85.

This is a welcome addition to the scanty literature on the Baltic states. Sponsored by Radio Free Europe and largely written by its experts, the book traces the growth of the independence movements that have faced Mikhail Gorbachev and the Soviet Union with ever more urgent and difficult decisions. The authors show, more clearly and fully than the

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Western press, the existence of differing currents and factions in the nationalist movements, the plight of the local communist parties caught between the demands of the people and those of Moscow, and the gathering momentum of the pressure for full independence. The drama is not over; this is a good briefing for the acts still to come.

FROM YALTA TO GLASNOST: THE DISMANTLING OF STALIN'S EMPIRE. By Agnes Heller and Ferenc Fehér. Cambridge: Basil Blackwell, 1990, 288 pp. $32.95.

A series of essays by two distinguished Hungarian political philosophers written between 1979 and 1989. The earlier essays are remarkably prescient about the forthcoming dissolution of empire leading to the momentous events of 1989. The authors, especially in their discussion of what they call the "Yalta system" and the 1956 Hungarian revolt, are keen in their analysis and outspoken in their often controversial judgments. Some of the essays were previously published in not easily accessible periodicals; together with those written specifically for this volume they make a well-ordered whole. The authors keep their eyes on the significant issues of Soviet-satellite relations without neglecting the attitudes and policies of the West.

SPRING IN WINTER: THE 1989 REVOLUTIONS. Edited by Gwyn Prins. Manchester/New York: Manchester University Press, 1991, 252 pp. $29.95 (paper, $12.95).

Further reflections on the revolutions that swept central and eastern Europe in 1989, originally a series of lectures at Cambridge University. Six pieces on individual countries are sandwiched between an opening lecture by John Kenneth Galbraith warning against a jump from a command economy to pure free-market capitalism, and a closing lecture by Sir James Eberle. Most of the authors were participants in the events they describe. One, Andrei Piontkowsky, writing on the different process of change in the U.S.S.R. itself, is an active participant in the Democratic Russia movement. He sees Gorbachev, by alienating the democratic forces and making ever more compromises with the right, as paving the way for a conservative takeover.

FROM BELA KUN TO JANOS KADAR: SEVENTY YEARS OF HUNGARIAN COMMUNISM. By Miklos Molnar. New York/Oxford: Berg, 1990, 281 pp. $59.95.

English translation of a first-rate study originally published in French in 1987. The author has added a brief preface taking note of developments up to the end of 1989, including the demise of the Communist Party.

TWEAKING THE NOSE OF THE RUSSIANS: FIFTY YEARS OF AMERICAN-ROMANIAN RELATIONS, 1940–1990. By Joseph F. Harrington and Bruce J. Courtney. Boulder (CO): East European Monographs, 1991, 657 pp. (New York: Columbia University Press, distributor, $37.50).

This long and detailed study, thoroughly exploiting all sources on the American side, stands as the sole substantial scholarly work on America's relations with Romania, and it is not likely to be displaced although more light may be shed as the Romanian documentation becomes available. No

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aspect of the relationship is neglected, but the authors, like the U.S. government, have their eyes always on the larger East-West context. Much of the story is about trade policy and American efforts to encourage Romania's differences with Moscow, but in the final analysis the tweaking was no more than a minor nuisance to the Soviets.

NEW WORLD AVENUE AND VICINITY. By Tadeusz Konwicki. New York: Farrar, Straus and Giroux, 1991, 212 pp. $24.95.

One of Poland's finest writers gives us an account, notebook style, of himself: his aches and pains, his efforts to fend off his pet cat, the reasons he writes and the reasons he doesn't, his memories of childhood near the woods and rivers of vanished Wilno (now Vilnius), his first years in Cracow and Warsaw (he moved to Poland in May 1945). As the entries accumulate, they begin to gain depth and substance in small accretions of seriousness. Necessarily oblique about politics—the book was written in 1986—Konwicki is also something of a tease. About anything whatsoever, although he tells it charmingly, he always tells you less than you want to know.

Lucy Despard

AFTER THE WALL: EAST MEETS WEST IN THE NEW BERLIN. By John Borneman. New York: Basic Books, 1991, 258 pp. $21.95.

Borneman has strong misgivings about the headlong rush to German unification, suggesting that East Germans simply sold out to consumer capitalism and that there was something viable in East German society that could have been preserved. But exactly what that something is remains elusive; Borneman is no admirer of socialism as it "actually existed" in the GDR. The main interest of the book lies in stories told by East Germans that graphically demonstrate just how the SED regime, over four decades, lost the allegiance of people who initially supported it or were not actively hostile to it. An excellent study in the mechanics of political alienation.

Lucy Despard

The Middle East

John C. Campbell

UNHOLY BABYLON: THE SECRET HISTORY OF SADDAM'S WAR. By Adel Darwish and Gregory Alexander. New York: St. Martin's, 1991, 335 pp. $24.95 (paper, $13.95).

The text is less sensational than the title but it is not without interesting revelations on how Saddam Hussein bullied his way to power in Iraq and made his lunge for dominance in the gulf. The meat of the book recounts the deals by which Western governments, companies and "merchants of death" sold Iraq the instruments of war and the means to make weapons of mass destruction. The reader cannot check all the facts, but the account seems convincing. Here, as in the use of material from intelligence services and other sensitive sources, there is no documentation. The early chapters, devoted to historical background, are generally accurate but with a definite anti-Western, anticolonial viewpoint and a goodly share of overstatement and misstatement. Darwish, Egyptian born, is a correspondent for *The Independent* of London. His co-author, "Gregory Alexander," presumably also a journalist, has chosen to write under a pseudonym.

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IRAQ SINCE 1958: FROM REVOLUTION TO DICTATORSHIP. By Marion Farouk-Sluglett and Peter Sluglett. London/New York: Tauris, 1991, 346 pp. $18.95 (paper).

The best recent survey of the history, politics and international relations of Iraq. The authors, lecturers in British universities, write with a broad knowledge of the country. They seek and obtain objectivity, and that is not inconsistent with a scathing description of Saddam Hussein and his methods of governance. There is still room for further enquiry: for example, while the book gives prominence to the Iraqi Communist Party and its wide public support, it has relatively little to say about the party's connections with Moscow and Soviet-Iraqi relations in general. The main text carries the story only to 1986. A brief "postscript," covering the end of the war with Iran and the events leading to the invasion of Kuwait, is but a bare outline not comparable to the rest of the book.

THE MONUMENT: ART, VULGARITY AND RESPONSIBILITY IN IRAQ. By Samir al-Khalil. Berkeley: University of California Press, 1991, 168 pp. $35.00 (paper, $16.95). Illustrated.

The author of the acclaimed *Republic of Fear* (reviewed in *Foreign Affairs*, Fall 1989) contemplates with distaste the relations between art and Saddam Hussein in today's (or yesterday's) Iraq. Taking as his starting point (or chief target) the egregious Victory Arch constructed by Hussein to commemorate Iraq's "victory" in the Iraq-Iran War, he traces the decline of public art in Iraq from a high point in the 1950s, when it led the Arab world in the visual arts, to its deformation under the Baath regime. He blames the regime but also the artists for allowing themselves to be suborned and the Iraqi public for its supine acceptance of monstrosities. Cited as "unwitting culprits" are none other than Andy Warhol and Robert Venturi.

Lucy Despard

THE GULF WAR: ITS ORIGINS, HISTORY AND CONSEQUENCES. By John Bulloch and Harvey Morris. London: Methuen, 1989, 309 pp. (North Pomfret, VT: David & Charles, distributor).

AFTER THE WAR: IRAQ AND THE ARAB GULF. Edited by Charles Davies. Chichester (UK): Carden, 1990, 422 pp.

The war in question is the eight-year struggle between Iran and Iraq. In *The Gulf War* two experienced British journalists present a good general survey that does justice to both sides while raising pertinent questions about the aims and judgment of the leaders in what was in essence a bloody, costly and pointless war. The book is at its best in delving into the murky and often contradictory policies of outside states, not least the United States and the Soviet Union. In dealing with the two belligerents, *After the War*, based on a 1989 symposium, covers some of the same ground and also antedates the crisis brought on by Iraq's invasion of Kuwait. Many of its predictions and conclusions, especially those on Iraq, fare badly in the light of subsequent events. There is nevertheless much solid information on the effects of the years of war on Iran, Iraq, Saudi Arabia and the other gulf states. The chapters on the broader strategic issues, though making some telling criticisms of American policy, are less enlightening.

THE MIDDLE EAST FROM THE IRAN-CONTRA AFFAIR TO THE INTIFADA. Edited by Robert O. Freedman. Syracuse (NY): Syracuse University Press, 1991, 454 pp. $49.95 (paper, $18.95).

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Once every few years Freedman convenes a conference on the Middle East and puts out a volume of papers by assorted experts. This one, covering the period 1985–88, is primarily a narrative of events, excellent for its wealth of information and useful for reference. No lifeless text, however, it is sprinkled with the opinions and interpretations of authors immersed in their specialties. They do not all agree with each other and some ride their own particular hobbyhorses, but that is to be expected in view of the complexities of the contemporary politics of the region.

SOVIET POLICIES IN THE MIDDLE EAST: FROM WORLD WAR II TO GORBACHEV. By Galia Golan. New York: Cambridge University Press, 1991, 319 pp. $44.50 (paper, $14.95).

A noted Israeli expert on Soviet foreign policy draws on much of her own prior writing and that of others to produce this running, footnote-free account of a half-century of Kremlin policy in the Middle East. It is not unploughed terrain, but the author gives added originality and value to her narrative by pausing from time to time, at key points where we do not know why the Soviet leadership took a certain decision, to assess a number of possibilities and then make her own educated guess. The record is still full of unknowns, as attests the frequent use of the words "perhaps," "possibly," "presumably," "may" and "might." Readers will be especially interested in the discussion of how much Gorbachev's "new thinking" has changed Soviet strategy and tactics in this region.

WHO'S AT THE HELM? LESSONS OF LEBANON. By Raymond Tanter. Boulder (CO): Westview Press, 1990, 262 pp. $24.95.

Students of U.S. policy and the policymaking process will be delighted with Tanter's study of how the U.S. government dealt with the crises in Lebanon in the early 1980s, for Tanter was on the National Security Council staff at the time and writes in fascinating detail, naming names and pinpointing bad decisions. His main proposition is that, with a hands-off president who had no overall strategy, decisions were left to the bureaucratic infighting of interested players and agencies. The result was inconsistency, incoherence and no rational coordination of force and diplomacy to achieve national aims. Such coordination is surely desirable—the spirit of Henry Kissinger is always hovering in the background—but not so easy to attain when the diplomacy is largely Washington's and the force on the ground is largely Israel's and not subject to U.S. control. It is a persuasive book, though one which fairly begs for other participants and observers to come forward with their own versions.

THE POLITICAL ECONOMY OF CONTEMPORARY EGYPT. Edited by Ibrahim M. Oweiss. Washington: Center for Contemporary Arab Studies, 1990, 330 pp. $34.95 (paper, $16.95).

Egypt's economy is afflicted with daunting problems: overpopulation, high unemployment and inflation, a crushing debt service burden, budget deficits, price-cost distortions, low productivity and acute external imbalances; and these problems have worsened under the impact of the Gulf War. Contributors to the symposium that gave rise to this book do not minimize the difficulties but they do accentuate the positive in pointing out action that can be taken to improve the situation. Three of the chapters give as clear a picture and as informed a critique of the U.S. aid program

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and the debt question as can be found anywhere. The book also has some solid chapters on the political system and opposition movements in the 1980s.

LIBYA'S FOREIGN POLICY IN NORTH AFRICA. By Mary-Jane Deeb. Boulder (CO): Westview Press, 1990, 214 pp. $39.95 (paper).

In contrast to those who dismiss Muammar Qaddafi as a madman or fanatic, the author thinks that he is crazy like a fox, pursuing quite rational policies aimed at preserving Libya's integrity and his own regime. In doing so she provides the most detailed account yet published on Libya's relations with other Maghreb states as well as with Egypt, the Sudan and Chad. Qaddafi has indeed maintained his country's independence and his own authority. Yet the bewildering succession of proposed unions and mergers—most of which amounted to nothing—interspersed with terrorism, aggression and attempts to subvert neighboring states and to play a role far beyond his and Libya's capacities, carry more than a suggestion of irrationality and delusions of grandeur.

WINNER TAKES ALL: A SEASON IN ISRAEL. By Stephen Brook. London: Hamish Hamilton/New York: Viking, 1991, 363 pp. $22.95.

A book of travel, observation and conversation by an English Jew desirous of understanding Israeli society and fully aware of its complexities. Written with grace and humor, it reflects also the tension that is ever present in Israel as well as the lack of consensus on the country's future and the ways of getting there. The author's own views on Israeli-Palestinian relations are rational and sensible but provide no keys to possible settlement.

A HISTORY OF THE ARAB PEOPLES. By Albert Hourani. Cambridge: Harvard University Press, 1991, 551 pp. $24.95.

Albert Hourani draws on many years of experience, research and thought in this masterful history of the Arabs from Mohammed's day to the present. One of its great merits is that it gives priority to social and cultural history over the often tedious story of wars and politics, although the author is amazingly successful in finding room for the key political events, and explanations for them, in a limited space. That is particularly true of his coverage of the years of rapid change since World War I. Written for the general reader, the book will also be read with pleasure and appreciation by scholars in the field.

Asia and the Pacific

Donald S. Zagoria

INDONESIA: CRISIS AND TRANSFORMATION, 1965–1968. By Marshall Green. Foreword by William P. Bundy. Washington: Compass Press, 1991, 160 pp. $35.00 (paper, $18.75).

This is a fascinating, albeit low-key, account by one of America's most able diplomats on one of the most significant turning points in postwar Asian history. Twenty-five years ago, as the United States became increasingly involved in Vietnam, a series of dramatic events in Indonesia led to the removal of the flamboyant President Sukarno, the collapse of Indone-

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sia's Communist Party (then the world's third largest), and the triumph of the army. The author, who was the American ambassador in Jakarta during those crucial years, concludes that "we rather lucked out in Indonesia" and that events took a turn that "required no great wisdom or foresight on our part." This is a disarmingly honest judgment and certainly distinguishes the author from countless diplomats and politicians who claim to have altered history. Green concludes that his successful low-profile diplomacy suggests some lessons: keep diplomatic posts to a minimum; act in close consultation with friends and allies; extend assistance to developing countries through multilateral agencies; and don't take credit for the achievements of others or pretend to be wise after the fact.

KOREA BRIEFING 1990. Edited by Chong-Sik Lee. Boulder (CO): Westview Press/New York: The Asia Society, 1991, 175 pp. $35.85 (paper, $14.85).

Following on two other annual reviews published by The Asia Society on China and India, this is the first of an annual series on Korea, which meets the same high standards of the other two publications. Sung-Joo Han, a distinguished Korean political scientist, concludes his excellent chapter on South Korea's experiment with democracy by cautioning that the progress of democratic institution-building is slow, political parties are still unstable and politics remains volatile. Social anthropologist Vincent Brandt contrasts the "almost obsessive concern on the part of many articulate Koreans, particularly students and intellectuals, with all that they perceive to be wrong with contemporary life and institutions" with the impressions of a visitor: "crowds of cheerful, apparently prosperous people" and "plenty of buoyant good feeling." His provocative essay addresses the question of why things "look so good from the outside" and "so terrible from the inside." And he concludes that the apocalyptic view of many Korean intellectuals and other critics is unwarranted.

INDIA: A MILLION MUTINIES NOW. By V. S. Naipaul. New York: Viking, 1991, 520 pp. $24.95.

V. S. Naipaul is a rare combination of born narrator, who brings to life the places and people he encounters, and thinking traveler who offers stimulating insights. This is a beautifully written, intellectually satisfying account of the huge complexity that is modern India. Naipaul sees in postcolonial India many revolutions within a revolution. All over India scores of "long buried disruptive peculiarities"—of region, caste and clan—have come to the surface and produced growing factionalism. The result is "a country of a million little mutinies" supported by "twenty kinds of group excess"—sectarian excess, religious excess, regional excess. These "mutinies" cannot be wished away. They are part of the beginning of a new way for India, part of its restoration.

CHINA'S CHANGING RELATIONS WITH THE MIDDLE EAST. By John Calabrese. London/New York: Pinter, 1991, 183 pp. $49.00.

This is a dry but competent account of China's relations with the Middle East during the past three decades. There is a good deal of information on China's weapons sales to the region, sales that have propelled China into fifth place among world arms exporters.

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BRINGING DOWN THE GREAT WALL. By Fang Lizhi. New York: Knopf, 1991, 288 pp. $19.95.

Physicist Fang Lizhi is China's most famous dissident and champion of human rights. After Tiananmen, he and his wife took sanctuary in the U.S. embassy in Beijing and they now live abroad. This collection of Fang's essays is a thoughtful analysis of what is wrong with Chinese "socialism." Fang's best-known speech, delivered at Shanghai's Tongji University on November 18, 1986, and titled "Democracy, Reform and Modernization," is a brilliant indictment of the Chinese system and an appeal for "complete Westernization," i.e. "complete openness, the removal of restrictions in every sphere." Many of the remarks in this speech were later singled out by the Chinese Communist Party as examples of "bourgeois liberal thought."

THE BROKEN MIRROR. Edited by George Hicks. Chicago: St. James Press, 1990, 526 pp. $45.00.

REFORM AND REACTION IN POST-MAO CHINA. Edited by Richard Baum. New York: Routledge, 1991, 209 pp. $42.50 (paper, $15.95).

Both of these are collections of essays on post-Tiananmen China. The essays in the Hicks volume are too brief and the introductions are long on indignation and short on insight. For sophisticated analysis, the volume edited by Baum is superior. There is an essay by Edward Friedman that aptly compares the difficulties of China's modernization to those of the feudal monarchies of eighteenth-century Europe and suggests that Leninism, far from burying feudalism in China, breathed new life into it. Baum, in a stimulating conclusion, says that "China's chaos-fearing leaders will . . . eventually fail in their bid to achieve order without opposition, affluence without openness, modernity without pluralism." Globalized markets, information flows and cries for popular empowerment have already rendered autarky, self-reliance and neo-Maoist ideological mobilization obsolete as development strategies.

Africa

Gail M. Gerhart

THE UNBREAKABLE THREAD: NON-RACIALISM IN SOUTH AFRICA. By Julie Frederikse. Bloomington: Indiana University Press, 1990, 294 pp. $37.50 (paper, $15.95).

This appealing book by a journalist turned popular historian uses extracts from a rich variety of interviews and documentary sources to demonstrate the long tradition of interracial cooperation against apartheid. Many forces in South Africa conspire toward hatred, violence, envy and mistrust. Yet certain features of South African history—including a Marxist intellectual tradition, the influence of Christianity (less credited by the author), the example set by outstanding white democrats and the recognition by many Africans that they need the resources and skills of non-Africans—exercise a pull toward racial tolerance and the long-term evolution of a common society and culture. This is an optimistic, often moving, book that succeeds in projecting the ideological principles associated with the African National Congress in their most idealistic light. Measured against the world's current epidemic of ethnic conflict, it would be

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astounding indeed if the political success story of the 1990s turns out to be South Africa.

A DEMOCRATIC SOUTH AFRICA? CONSTITUTIONAL ENGINEERING IN A DIVIDED SOCIETY. By Donald L. Horowitz. Berkeley: University of California Press, 1991, 293 pp. $24.95.

South Africa will reinvent itself politically during constitutional negotiations to take place in the next few years. This book by a Duke University political scientist argues cogently for processes and institutional choices that offer strong incentives for interethnic accommodation and that soften the hegemonic aspirations of contending parties. Drawing on the comparative experience of severely divided societies, including Nigeria, Malaysia, Sri Lanka and Northern Ireland, Horowitz makes a strong case for a South African electoral system based on the AV (alternative voting) variant of preferential voting and for multiple parties, a presidential system and federalism. He argues against consociationalism and electoral systems based on proportional representation or Westminster. Not all the positions he develops are equally persuasive, but his effort to grapple with South Africa's daunting realities is truly impressive. He holds no brief for any of the competing political groupings, nor does he have any illusions about the probability of a stable democratic outcome, the omens for which he believes are not propitious.

WALVIS BAY: DECOLONIZATION AND INTERNATIONAL LAW. By Lynn Berat. New Haven (CT): Yale University Press, 1990, 219 pp. $25.00.

Never given to discarding its diplomatic cards too hastily, Pretoria still holds many aces in the ongoing power game with its unfriendly neighbors. One such card is a claim to sovereignty over the Namibian port of Walvis Bay, aggressively asserted by South Africa since 1977 and based largely on the circumstances of the bay's annexation by Britain in 1878 and subsequent administration from the then-British Cape Colony. This well-argued book by a historian and specialist in international law examines in detail, and within its evolving historical context, the legal case for the South African claim. This is demonstrated to be weak, and the validity of the countercase put forward by the government of newly independent Namibia is shown to be almost incontestable. Whether the widely accepted principles of international law favoring the Namibian government can soon be translated into legal reality, however, is contingent on future political moves in the regional power game.

AFRICA: DISPATCHES FROM A FRAGILE CONTINENT. By Blaine Harden. New York: Norton, 1990, 333 pp. $22.50.

Blaine Harden, who reported from Africa for *The Washington Post* from 1985–89, has produced a trenchant and informative compilation of the bad news and the good news, and has presented it with a wit that is sardonic but never cynical. Smugglers, intellectuals, famine victims, venal Big Men, misguided aid donors—all parade through this account of "the world's messiest experiment in cultural and political change." Nigeria's recurring efforts to democratize and improve government performance are seen as evidence that, at least in some parts of the continent, Africans have begun to reverse their downward postindependence course.

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ERITREA: A PAWN IN WORLD POLITICS. By Okbazghi Yohannes. Gainesville: University of Florida Press, 1991, 331 pp. $34.95.

Although treated as expendable for forty years by both superpowers and most of the rest of the world, the tenacious nationalists of Eritrea stand poised in early 1991 for victory after what this study rightly calls an effort of "epic proportions." The book tells us little about the nationalists, but much about the odds against them. The author, who teaches at the University of Louisville, has focused on the diplomatic and international dimensions of the Eritrean issue since World War II. He draws extensively on British and American diplomatic archives and U.N. records and manages to include enough recent material on Soviet policy changes to give a vivid and up-to-date history of great-power maneuvers in the strategically situated Horn of Africa.

THE LAST COLONY IN AFRICA: DIPLOMACY AND THE INDEPENDENCE OF RHODESIA. By Michael Charlton. Cambridge: Basil Blackwell, 1990, 164 pp. $37.95.

The negotiated end of Zimbabwe's war of independence is the focus of this lively account by a senior BBC journalist who skillfully interviewed many of the leading participants of the 1979 Lancaster House conference. Characterizing the settlement as a "stunning diplomatic achievement" for Britain and particularly for Lord Carrington, the author weaves together the recollections of the principal actors with the minimum connecting commentary necessary to sketch the plot, dramatis personae and conflicting interests at stake. The result is an absorbing and sophisticated oral history that should offer interesting comparisons with the documentary records of the British and Zimbabwean governments once these become available.

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Edited by Janis A. Kreslins

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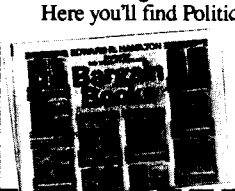

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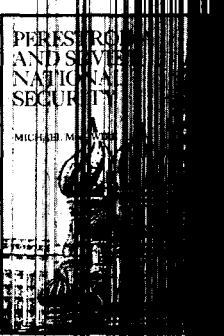

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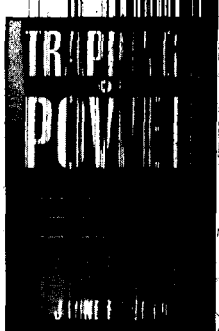

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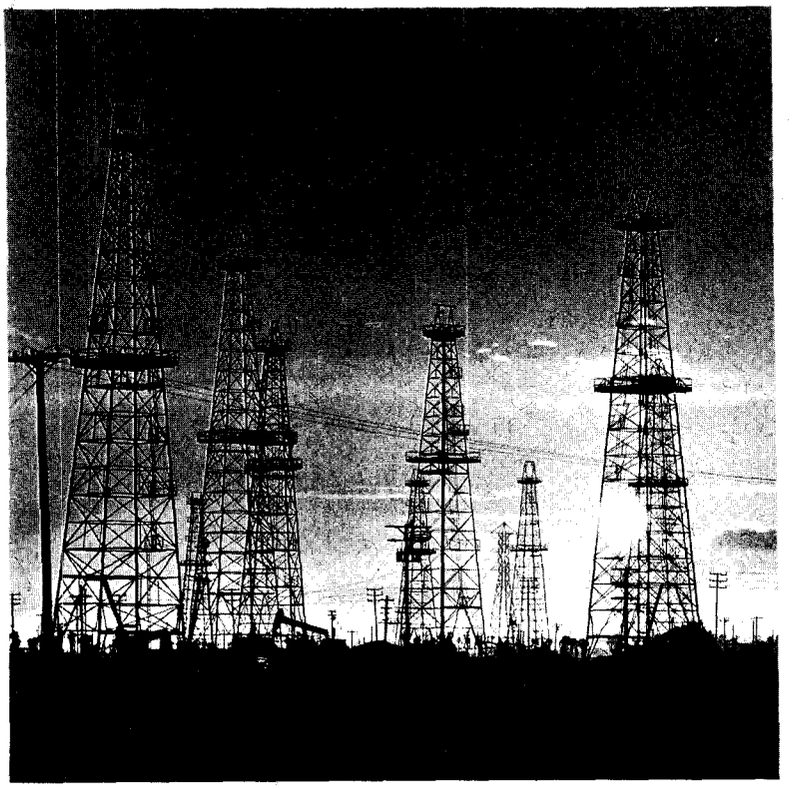

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